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ABSTRACT

An investigation into voter support of tax and expenditure limitation (TEL) measures in four states was conducted during and after the November 1978 general election by the Education Finance Center of the Education Commission of the States. Analysis of voter behavior revealed that those who went to the polls felt there was an economic incentive to do so, were habitual voters, and felt the TEL issue was important. The choices of voters concerning measures to cut property taxes were related to their socioeconomic status, political outlook, and other demographic characteristics. Those voting on expenditure limitation measures tended to base their decisions on philosophical attitudes toward the proper role of government. Analysis of voter attitudes in Michigan and Colorado indicated that the public was informed and attempted to make rational decisions when voting. An examination of the election campaigns surrounding TEL ballot measures in Oregon and Idaho showed the impact that intangibles in a campaign can have on the outcome. In general, the study found that no monolithic "tax revolt" is sweeping the country and that voters are assessing each measure on its own terms. (Author/PGD)

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Tax and Expenditure Limitation Referenda:

An Analysis of Public Opinion, Voting Behavior and Campaigns in Four States

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Report No. F80-2

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Executive Summary

This booklet presents the results of an extensive investigation into the issue of statewide tax and expenditure limitations (TELs). Through the use of public opinion surveys and case studies of the campaigns for TELs in four states in 1978, a good deal of insight was gained into the politics of two types of TEL issues.

The study is divided into three sections. The first, an analysis of voting behavior, presents two sets of findings. The first concerns the decision to go to the polls and vote on TEL proposals. There were no systematic differences across states or across the two types of TEL proposals. In general those who went to the polls to vote on the TEL proposals felt there was an economic incentive to do so, were habitual voters and felt the TEL issue was an important one. There were no systematic relationships between demographic characteristics and the decision to go to the polls.

In the second set of findings, different conclusions were drawn from an analysis of the decision to vote for or against the proposals. Across all proposals the vote was closely related to the perceived impact of the proposal on taxes and public services. However, there were important differences across the two types of TEL proposals. TELs that aimed at limiting growth in government expenditures elicited a philosophical, proper role of government response. The vote on TELs calling for property tax cuts, however, was highly related to socioeconomic status indicators and other demographic characteristics.

The second section of this study concerns TEL activity in the states of Michigan and Colorado. Considerable evidence is presented to show that the public is closely attuned to the TEL issue. By relating the results of attitude surveys in Michigan to the voting outcomes and the related issues on the state agenda, a sense of sophistication of the voting public on this issue is communicated. In Colorado it would seem that the TEL issue there, the Burch-Orr Amendment, was perceived as a response to a nonexistent problem. The public was aware that the potential problem of unchecked government growth had been mooted by legislative action.

In the final section the campaigns in two states are examined.

From this study it is clear that the intangibles in a campaign can have a substantial impact on the outcome. For example, a change in assessment practices in Idaho created a pressure that reminds one of the mailing of the property tax bills prior to the vote on California's Proposition 13. The availability of a well thought-out alternative seemed to help the opposition forces to Oregon's Ballot Measure 6, though this strategy was not successful in California.

These findings indicate that the "tax revolt" is not a monolithic movement that is sweeping the country. Voters perceive differences in the types of TEL measures and act on those perceptions. Campaigns on the TEL measures and the political culture of the state do have an effect on the outcome of the referendum. The evidence presented indicates that voters are interested in the TEL issue and are relatively sophisticated in their views. The proponents and opponents of the various TEL initiatives need to take this factor into consideration when designing political strategies on this issue.

Introduction

Since the passage of Proposition 13 on June 6, 1978, the "tax revolt" has been a major issue on the domestic political scene. With the passage of Proposition 13 in California, the proponents of tax and expenditure limitations (TELs) launched a nationwide campaign to limit the growth of federal, state and local budgets. Though proponent organizations have been able to place the TEL issue on the agenda of the federal government, little has come from those efforts. In the state and local political arena, however, TEL proponents have written several success stories. Through state legislative action and through use of the initiative and referenda process, 24 states had adopted some form of limits on property tax revenues over the 30 years prior to the end of 1978. In addition to these limits on property tax revenue, nine states had adopted some type of limit on state expenditures or revenues.

One way of looking at these tax and expenditure limitations is to examine the philosophies underlying them. In general the underlying philosophies fall into two groups: the first is aimed at reducing the existing size of government through tax cuts and the second is aimed at containing the growth of government. The first philosophy is based on two tenets, first that the tax burden is too heavy and second that government is not a good investment anyway. The containment philosophy is not necessarily based on antigovernment feelings, but reflects the growing public concern over the rapid growth of government in the post-World War II period. The belief is that government is as large as it should be and that restrictions are necessary to keep government at its present size relative to the rest of the economy.

Examples of TELs aimed at reducing the size of government include Proposition 13 in California, Idaho's Proposition 1 and Michigan's unsuccessful Tisch Amendment. The goals of these TEL measures were to provide immediate property tax relief and through that process to reduce overall government expenditures. In California where the most information on the impact of TEL measures is available, it seems that these goals have been only partially attained. Proposition 13 gave immediate property tax relief for homeowners in California, though the magnitude of that tax relief will become smaller as property changes hands and can be assessed at its actual market price. However, the second goal, to

reduce overall government expenditure, has just not come about. What has happened is that a higher level of government, i.e., the state, has made massive grants to local governments using the large fiscal surplus enjoyed by the state. (Proposition 9, a measure to cut the state's income tax revenue in half, was put on the June 1980 ballot in an effort to cut off this shift to state support.)

"Growth-containing" TEL measures have encompassed more than just the property tax and have shown a greater degree of diversity in application than their "government-cutting" counterparts. The focus of these measures ranges from expenditures to revenues, from state to local governments and from the local property tax to the state income tax. Typically, such TELs tie growth in expenditures to economic indicators such as personal income or consumer prices. Examples of these limitations include the Headlee Amendment in Michigan, the Kadlecek Amendment in Colorado and Minnesota's 1971 statute limiting the rate of increase in local property tax revenues. It is difficult to assess how much the "growth-containing" TEL measures have accomplished. The states that have adopted growth-containing measures would most probably have spent more if the limitations had not been in place. However, how much more is an important question and a question for which there are no clear answers.

Researchers have attempted to explain the adoption of TEL measures in various states through the use of various analysis techniques. The Advisory Commission on Intergovernmental Relations (1977), Ladd (1978) and Ellickson (1979) have all attempted to model states' susceptibility to TEL activity and to identify state characteristics that contribute to that susceptibility. These works have been thought provoking. However, the models presented are in the early stages of development. Another line of research has been the study of public opinion on the TEL issue. Citrin (1978), Courant *et al.* (1979) and Ladd Jr. *et al.* (1979) have all explored the relationship between public opinion and cutting taxes and providing services. The studies all point out the public's contradictory desire for both public services and low taxes. The question that each of the authors raises, though in a slightly different form, is "Does the public really believe that services can be provided for free?" The conclusions reached by the authors run along the following lines. Public opinion against taxes, especially the local property tax and the federal income tax is now very high. However, it has been high for the past decade. The present "tax revolt" cannot be explained by a surge in negative feelings toward taxes. At the same time the public is strongly committed to state provided public services. Except for the welfare and social services and public housing areas, over 80

percent of the public have responded that they would not cut services or would cut services only a little (CBS News/*New York Times*, June 1978). The public's way out of these seemingly irreconcilable positions is the "inefficiency of government argument." If "fat" and "waste" were eliminated, services could be maintained without high taxes, according to this view. The public has rapidly moved toward this position during the past decade, as its confidence and trust in government officials and in government itself has eroded.

In November 1978 the Education Finance Center undertook an examination of TEL activity in Michigan, Colorado, Oregon and Idaho. Each of the four states had TEL referenda proposals on the ballot. Coverage of the campaigns surrounding the proposals, a follow-up after the election to see what response the state had made and a public opinion poll taken immediately after the election in each of the four states were the methods employed by the Finance Center to answer questions about TEL activity.

The questions to which the Finance Center hoped to find answers can be divided into three groups. The first is concerned with the perceived differences among TEL proposals. Is the "tax revolt" a monolithic movement or does the public perceive policy choices among the various proposals? What opinions distinguish those who favor the TEL proposals from those who oppose them? Are differences in the public's attitude toward the TEL proposals greater across states or across types of proposals? The answers to these questions will enable us to draw generalized conclusions that might be useful to policy makers in states that are facing TEL pressure.

The second type of question is concerned with the relationship between public opinion and the outcomes of the TEL elections in particular states. Does an insight into attitudes and characteristics of the political culture within a state provide us with a greater understanding of the decisions of the public on TEL issues in that state?

The final group of questions focuses less on the attitudes of the public and more on the political environment which affected the TEL election outcomes. This section will examine the influences of the political context on the TEL election results in the states that were studied.

This booklet is organized around the three sets of questions outlined above. The first chapter focuses on the relationship between the attitudes and characteristics of the public and two

aspects of their TEL voting behavior: the decision to go to the polls and the decision to vote for or against the proposal. The source of the opinions, characteristics and voting behavior, was a telephone public opinion poll sponsored by the Finance Center during the weeks immediately after election day on Nov. 6, 1978. The samples were drawn from each of the following states: Colorado, Idaho, Michigan and Oregon. The analysis is performed on each of six TEL proposals and the results are compared across types of proposals and across states. The analysis technique, discriminant analysis, allowed evaluation of the independent effect of a series of opinions and characteristics on the respondents' voting behavior. The results of this analysis will provide answers to the first set of questions outlined above.

The second chapter focuses more narrowly on the relationship between public opinion and the vote in the states of Michigan and Colorado. This chapter uses more of the results of the survey sponsored by the Finance Center to describe the political context in which the initiatives were placed in Michigan and Colorado. In the state of Michigan, the results of a second survey conducted by the Institute of Public Policy Studies at the University of Michigan are used to further describe the context surrounding the three TEL proposals found in that state. This analysis essentially explores the relationships between indicators of the political context, as measured by the responses to the survey questions, and the vote on the initiatives. An understanding of the political attitudes in these two states provides an insight into the election outcomes on the TEL proposals.

In the third chapter, the relationship between the political context and the vote on the TEL initiatives is again the focus of attention. The difference between the second and third chapters is in the definition of the political context. In Chapter III the political context is defined as the campaigns surrounding the TEL proposals. The campaigns and their relationship to the election outcomes are examined in the states of Oregon and Idaho. Chapter III assesses the impact of the events which either occurred or were noted for their absence in the TEL campaigns that affected the election outcomes.

I. Voting Behavior and the TEL Issue

Public opinion polls are used in various ways throughout this country. Most of these uses employ valid methods of analysis and are limited only by sampling procedure, sample size and the skill of the question writers. The following are examples of different uses of public polls. The first type is the one-time inquiry regarding a particular issue or product. This type is used to achieve several different purposes. The first is rather obvious. What are the respondent's feelings toward this issue or product? The telephone marketing survey is a good example. The second purpose is more subtle than the first. It is education. Suppose some individuals plan to place an education vouchers initiative before the voters a year from now? One benefit of taking a public opinion poll at this time would be to sample current opinion on this issue. But since the election is so far away and the publicity on this issue to date has been rather sparse, the main accomplishment of the survey would be to place the issue into the consciousness of both the respondents and those who hear about the results of the poll.

A second use involves the repeated asking of a question in order to determine whether there have been any changes in answers to that question over time. A classic example of this use is the "approval of the President" surveys published by the major polling organizations. The polling organization asks its sample every month whether or not they approve of the job the President is doing. This type of trend analysis has played an important role in testing for changes in the political arena in this country. The important pitfall to be aware of in this type of analysis is changes in the wording of the question from poll to poll.

A third use involves an examination of the interrelations among items asked and a particular issue of concern. At the least sophisticated level of analysis there are the results of a product marketing survey. The results of this survey would enable the marketing firm to decide which groups of individuals (male, income class, etc.) would be interested in purchasing a particular product. At a more sophisticated level there are those who are interested in explaining political preferences. The underlying concern of both of these approaches is the interest in explaining human behavior and the assumption that attitudes or expressed preferences are related to that behavior. The analysis that follows

is of this third type. It will explore the relationship between tax and expenditure limitation proposals and selected characteristics and attitudes of the public.

Any investigative analysis involves a number of choices. The greatest responsibility of the analyst is to explicate the choices that govern a particular analysis. The following discussion attempts to meet this end. This study employs a traditional approach to the study of TEL voting behavior. The two questions which we will attempt to explain are first, "Did you vote on this particular TEL proposal?" and second, "Did you vote in favor of or against the particular TEL proposal?"

The TEL proposals analyzed will be divided into two sets for the purpose of presentation. The distinguishing feature of these two groups is whether or not the focus of the proposal is on cutting the property tax or on capping statewide expenditures and/or revenues. There are three proposals in the present study which fall into the cutting the property tax group: Proposition 1 in Idaho, the Tisch Amendment in Michigan and Ballot Measure 6 in Oregon. Idaho's Proposition 1 was the only one of the three to win voter approval in November 1978. Both it and Oregon's Ballot Measure 6 were virtual copies of California's Proposition 13 except for one small change on each measure. The Tisch Amendment in Michigan on the other hand was not directly related to Proposition 13 though its focus was on the immediate reduction of property taxes. As a secondary feature, the Tisch Amendment would have placed a limit on the amount of income tax revenues that the state or local school districts could raise. (The power to levy an income tax was given to school districts by a section of the Tisch Amendment.) In our voting behavior analysis these three proposals will be examined together since they focus on the provision of immediate property tax relief.

The second group of TEL proposals focused on the capping of expenditures and/or revenues. Two proposals were included in this study that focused entirely on the limiting of expenditure and/or revenues at the state and local level: the Burch-Orr Amendment in Colorado and the Headlee Amendment in Michigan. A third proposition (Ballot Measure 11 in Oregon) will also be included in this group although its focus was not limited to expenditure or revenue caps. In addition, it directed immediate property tax relief to both property owners and renters. This proposal represented an effort on the part of the governor and the state legislature to come up with a compromise alternative to Ballot Measure 6. Though this proposal is included on the tables with the expenditure/revenue limitations, it is important to remember that Ballot Measure 11 is

a compromise between the two TEL groups. Only the Headlee Amendment passed in the November 1978 voting. For a further explanation of the proposals, see Appendix A.

Analysis of the Decision to Turn Out

The literature on political participation covers a wide range of political acts, ranging from contacting a local official about a particular problem, to voting, to being a member of a political organization (Verba and Nie, 1972). This part of the study will concentrate only on the decision to vote on a TEL proposal. A number of different factors bears on an individual's decision to vote. Some factors deal with social circumstances, others are concerned with beliefs and attitudes, and still others with the "personality" of the candidate or issue being voted on.

In the present analysis, a number of social circumstances were taken into consideration. The first indicator was the social and economic status of the respondent as measured by the level of education they had attained. The second indicator, in an attempt to discover whether or not there was a life stage effect, was the age of the respondent. The presence of a child under the age of 18 in the household was used to denote an increase in demand for public services. And finally, whether the respondent owned or rented their home was taken as evidence of the strength of the respondent's ties to the community.

There is some middle ground between social circumstances and attitudes on the TEL issue. In this analysis two factors that fall in the middle ground were included in the analysis. The first attempts to discover if the respondent is a habitual voter. The indicator used to answer this question was whether or not the respondent voted in the 1976 general election. The second was the political party affiliation of the respondent. These two indicators are neither social circumstances nor attitudes, but both have been found to be related to the decision to turn out.

The final four factors used in our analysis of voter turnout dealt with attitudes of the respondents. The first was concerned with the level of political efficacy. Three indicators were used to measure the intensity of this factor. The first asked if the respondent felt that the government was run for the benefit of all or the benefit of only a few. The next indicator put the political efficacy question directly to the respondents: How much influence do people like yourself have over the local government? The third indicator of political efficacy raised the question of the importance of local control. These three indicators attempt to give

us an idea of how much influence the respondent feels himself/herself to have in the political arena.

The second factor was concerned with the importance of the TEL issue to the respondent. Once again, three measures of this factor were used in the analysis. The first measure asked how difficult the proposition(s) was (were) to understand. The second measure was concerned with how much the respondents knew about the proposal(s). The third measure asked how concerned the respondents were over the outcome of the TEL referendum(a). These three measures give a picture of how involved the respondent was in the TEL issue.

The final factor considered in this analysis of voter turnout was concerned with the economic incentives included in the TEL proposals. Did the respondents feel there were economic gains to be obtained by going to the polls? The survey asked respondents if they believed passage of the proposition would increase or decrease their state and local taxes.

Expenditure Limiting Proposals

In Table 1 the results of the turnout-to-vote analysis for expenditure limitation measures are presented. The study used a multivariate technique, discriminant analysis, to discover the independent relationships between the indicators and the decision of the respondents to turn out.* The numbers reported for each indicator are what are called standardized discriminant function coefficients. These coefficients can be used to gauge the relative importance of the various indicators. The indicators which have no entries behind them are not statistically significant. Three summary statistics are presented at the bottom of each proposal along with the number of cases upon which the coefficients were calculated. These figures give an idea of the accuracy, reliability and explanatory power of the mathematical formulas used in the analysis. For example, a low R^2 figure indicates that other factors not included in the formulas may also have had an influence on whether a person voted on a TEL proposal. On the whole, levels of explanatory power and accuracy of the formulas were moderate in this study.

The results presented in Table 1 for Colorado's Burch-Orr Amendment will be examined in detail in order to illustrate the interpretation of the discriminant function coefficients. The

*For a more detailed technical discussion of the methodology, see Appendix B.

Table 1
Analysis of the Turnout to Vote on Expenditure Limitation Measures in the States Surveyed

	Colorado Burch-Orr Amendment	Michigan Headlee Amendment	Oregon Ballot Measure 11
What was the level of general political efficacy?			
Is government run for the benefit of all or of only a few?		−.734	
How much influence do people like yourself have over local government? (A lot to none)			
Is it important to have public services controlled locally? (Very important to not important at all)			1.126
What was the history of participation?			
Did you vote in the 1976 general election? (Yes, no)	.536	1.889	1.083
What is your political affiliation? (Strong Republican to strong Democrat)			
How important was the TEL issue?			
Did you find the proposition easy or difficult to understand?		.322	
How much have you heard or read about the proposition? (High, medium, low)	.908	.557	.889
How concerned were you about the outcome of the tax limitation referendum? (High, medium, low)		.594	
Was there an economic incentive to vote?			
Would the passage of this proposition have decreased or increased your state and local taxes?	1.691	1.141	1.663
What was the socioeconomic status of the respondent?			
Education of the respondent. (Low to high)			
What were other relevant characteristics of the respondent?			
Age of respondent.			
Do you own or rent the place where you live?			
Do you have at least one child under 18 living in your household? (No, yes)			
R^2	.448	.265	.248
U	.5520	.7347	.7520
Percent correctly classified	82.9	79.5	78.3
N	439	464	488

decision to turn out is represented by a negative score and the decision not to vote is represented by a positive score. In the case of the Burch-Orr Amendment in Colorado, three indicators made significant contributions to the discriminant function explaining the respondent's decision to turn out.

The first and most important contributor was the economic incentive to vote indicator. If respondents in Colorado felt that the passage of the Burch-Orr Amendment would decrease their state and local taxes, they were much more likely to go to the polls and vote.

The second most influential contributor concerned the importance of the TEL issue. Respondents who had heard or read a great deal about the proposition were also more likely to go to the polls than their counterparts who had heard or read very little.

The final indicator dealt with the respondent's history of participation. Respondents who voted in the 1976 Presidential election were more likely to turn out to vote on the TEL proposal than those who had not voted in the earlier election.

It is interesting to note that none of the political efficacy indicators and none of the demographic characteristics of respondents proved to be statistically related to the decision to go to the polls.

The second column in Table 1 presents the results for the other proposal which focused exclusively on the expenditure limitation, the Headlee Amendment in Michigan. For this proposal six indicators were included in the discriminant function.

The most important of these was "history of participation." As found for the Burch-Orr Amendment in Colorado, respondents in Michigan who voted in 1976 had a strong tendency to go to the polls and vote on the Headlee Amendment.

The next most important indicator was the economic incentive indicator. If respondents felt that passage of the Headlee Amendment would lead to a decrease in their state and local taxes, they tended to go to the polls and vote.

A political efficacy indicator was the next most important indicator in the Headlee Amendment equation. Respondents who felt that the government was run for the benefit of only a few tended to go to the polls.

The final three indicators included in the Headlee Amendment discriminant function were all concerned with the importance of the expenditure limitation issue to the respondent. People who had high levels of concern about the outcome of the referendum had a tendency to go to the polls more frequently than their counterparts. Respondents who had heard or read a great deal about the proposition also went to the polls with a higher frequency than those who were not as informed. Finally, respondents who found the proposition easy to understand also tended to turn out in greater numbers. And once again, no demographic characteristics of the respondents were significant.

The third column on Table 1 presents the results for Oregon's Ballot Measure 11. As was mentioned above, Ballot Measure 11 was not a "pure" expenditure limitation proposal and should be considered as a hybrid or compromise between the two types of TEL proposals. However, a similar pattern of indicators defined the turnout discriminant function for Ballot Measure 11 as had defined the function for the Burch-Orr Amendment in Colorado and for the Headlee Amendment in Michigan.

The most important indicator included in the Ballot Measure 11 equation was concerned with the economic incentive to vote. As in the previous two equations, respondents who felt that the passage of this proposal would lead to a decrease in the amount of state and local taxes they pay tended to turn out at the polls more than their counterparts.

The second most important indicator was part of the general political efficacy group. Respondents who felt that local control over public services was very important went to the polls with a greater frequency than the respondents who felt that local control was not very important.

The third most important indicator in the Ballot Measure 11 equation was the history of participation indicator. As was found on the Burch-Orr and Headlee Amendments, those that voted in the 1976 general election tended to go to the polls to vote on this TEL issue in greater numbers than those who had not voted in 1976.

The fourth indicator included in the Ballot Measure 11 equation was also included in the other two equations reported in Table 1. Respondents who stated that they had heard or read a great deal about this proposal had a tendency to go to the polls more frequently than their less informed counterparts. Once again, the

demographic characteristics of the respondents did not play an important role in the decision to turn out.

Tax Cutting Proposals

Table 2 presents the results of the turnout-to-vote analysis for the property tax cut proposals. The presentation of the results in Table 2 is similar to the layout of the results presented in Table 1. The property tax cutting measures analyzed in Table 2 are Idaho's Proposition 1, the Tisch Amendment in Michigan and Ballot Measure 6 in Oregon.

Five indicators from the list of 13 were important in explaining the decision to turn out and vote on Proposition 1 in Idaho. The three most important were also the three indicators that were reported in Table 1. The history of participation indicator was the most important contributor, followed by how much the respondents had heard or read about the proposition and the economic incentive indicator. The two additional indicators dealt with the importance of the TEL issue to the respondent and the level of political efficacy. Respondents who had a high degree of concern over the outcome of the Proposition 1 referendum tended to go to the poll more frequently than their less concerned counterparts. And finally, those respondents who felt that local control of public services was an important consideration tended to go to the polls in greater numbers than those who felt local control was unimportant. Again, no demographic characteristics were significant.

The second column of Table 2 presents the results of the turnout analysis for the Tisch Amendment in Michigan. Again, the three most important indicators were the same three that were identified for Idaho's Proposition 1. In order of importance in the Tisch Amendment equation, the indicators were the economic incentive question, the history of participation question and the how much one had heard or read about the proposition question. One additional indicator relevant to the Tisch Amendment equation was uncharacteristic of what had been found on other proposals. On the decision to turn out for the Tisch Amendment, there was a differential rate of going to the polls between those who owned their place of residence and those who did not.

In the third column of Table 2, results of the turnout analysis on Oregon's Ballot Measure 6 are presented. Three indicators applied to Oregon's Ballot Measure 6.

The two most important indicators have influenced the decision to

Table 2
Analysis of the Turnout to Vote on Tax Cut Measures in the States Surveyed

	Idaho Proposition No. 1	Michigan Tisch Amendment	Oregon Ballot Measure 6
What was the level of general political efficacy?			
Is government run for the benefit of all or of only a few?			
How much influence do people like yourself have over local government? (A lot to none)			
Is it important to have public services controlled locally? (Very important to not important at all)	.491		
What was the history of participation?			
Did you vote in the 1976 general election? (Yes, no)	1.195	.807	1.290
What is your political affiliation? (Strong Republican to strong Democrat)			
How important was the TEL issue?			
Did you find the proposition easy or difficult to understand?			
How much have you heard or read about the proposition? (High, medium, low)	1.070	.806	
How concerned were you about the outcome of the tax limitation referendum? (High, medium, low)	.996		1.052
Was there an economic incentive to vote?			
Would the passage of this proposition have decrease or increased your state and local taxes?	1.058	1.777	2.132
What was the socioeconomic status of the respondent?			
Education of the respondent. (Low to high)			
What were other relevant characteristics of the respondent?			
Age of respondent. (Low to high)			
Do you own or rent the place where you live?		.681	
Do you have at least one child under 18 living in your household?			
R^2	.212	.395	.230
U	.7876	.6049	.7701
Percent correctly classified	73.8	84.4	79.4
N	450	480	529

turn out in each of the TEL proposals examined. The most influential indicator was the economic incentive question. The history of participation question was the second most important contributor to Ballot Measure 6's discriminant function.

The final indicator included in the equation came from the "how important was the TEL issue" group of questions, but was not the usual question. This indicator was the concern over the outcome of the referendum question. Respondents who had a higher degree of concern about the outcome of the election went to the polls in greater numbers than their less concerned counterparts. Again, it should be noted that no demographic characteristics were a factor in the decision to turn out for Ballot Measure 6.

Conclusions on Turning Out to Vote

What can be said about the decision to go to the polls and vote on TEL measures using the results of this analysis?* The type of TEL proposal was an unimportant factor in the decision of the respondents to go to the polls. The same basic factors, history of participation, importance of the TEL issue and perceived economic incentive were found to be important whether it was a tax cut or expenditure limitation.

The variation by state was also found to be unimportant. Indeed, the differences between the results for the Headlee Amendment and Tisch Amendment in Michigan were greater than the differences across most states. Individual differences among the TEL proposals led to the small differences, but the important finding is that three factors — history of participation, importance of the TEL issue and perceived economic incentive — influenced the decision of the respondents to go to the polls on each TEL proposal more than any other. Conspicuous by their absence of influence were the socioeconomic status and other demographic characteristics of the respondents.

In conclusion, respondents who went to the polls (1) felt that the TEL proposal would decrease their taxes, (2) had the voting habit and (3) felt the TEL issue was salient.

Analysis of the Vote

Let us turn now to the analysis of the way respondents voted on

*A preliminary word of caution should be given. Although conclusions can be drawn regarding the factors included in our analysis, moderate levels of explained variance and discriminatory power lead this researcher to suspect that a few important factors were not included in the equation which if included might alter the interpretations.

these TEL proposals. The voting behavior literature has focused for the most part on candidate elections using public opinion survey results as their data base (Campbell *et al.*, 1960; Nie *et al.*, 1976). A few studies have focused on statewide tax referenda but have not had the benefit of individual survey data (Shalala *et al.*, 1973; Williams, 1976). However, studies released recently have examined individual survey results that were taken on TEL measures (Citrin, 1978; Courant *et al.*, 1979). A number of demographic characteristics and political party affiliations have been related to the vote on the TEL proposals.

In the present analysis many of these indicators in conjunction with more general attitude questions are used to analyze the voting behavior of respondents on each of the TEL proposals. There were seven factors taken into account.

The first is concerned with whether or not government occupies a larger role than it should in our society. Two indicators were chosen from the ECS survey which addressed this concern. The first asked if the government or the poor themselves should have the major responsibility for meeting the needs of the poor? The second was more direct in seeking an answer to the proper role of government: Is the government trying to do too many things that should be left to individuals and the private sector? These two indicators defined the "proper role of government" factor.

The second factor dealt with the issue of local control. Was the importance of local control over public services considered when voting on TEL measures?

The next factor used was more directly concerned with the importance of the TEL proposal. Once again, multiple indicators defined the factor. The first asked about the level of concern the respondent felt about the outcome of the referendum. The second asked about the perceived economic incentive involved in voting in favor of the proposal. The third was concerned with the magnitude of expected change in the provision of public services which would occur if the proposal did in fact pass.

The fourth factor used in the voting analysis addressed the "efficiency in government" argument. The two indicators used to define this factor were derived from one question: From what level of government do you get the most for your tax money? All respondents who answered that they received the most for their money from the federal government were given a *yes* score on the federal government indicator. All respondents who answered that

they received the most for their money from local government were given a *yes* score on the local government indicator.

The fifth factor used in the analysis dealt with the political orientation of the respondent. Two indicators were used to define this factor. The first was the nature and strength of the respondent's political party affiliation. Political party affiliation was measured using a seven-point scale, ranging from strong Republican through Independent to strong Democrat. The second indicator asked the respondents to characterize their position on domestic issues as either conservative, moderate or liberal.

The sixth factor examined in the voting analysis was socioeconomic status, as measured by the reported education level of the respondent.

The final factor examined in this analysis was a collection of demographic characteristics. The first was the sex of the respondent, the second the age of the respondent, the third whether or not a child under the age of 18 resided in the household. These characteristics were used to obtain an indication of whether there were different voting patterns for the different sexes, different age groups and larger households.

The Vote on Expenditure Limits

In Table 3 the voting behavior analysis is presented for the expenditure limitation measures. The voting behavior is coded as follows: respondents indicating that they voted in favor of the TEL proposals were assigned a positive value and those who voted against the proposals were assigned a negative value. Once again, a close examination of the results for Colorado's Burch-Orr Amendment will illustrate the interpretation of the results presented in Tables 3 and 4.

Four indicators representing three factors were found to make significant contributions to the understanding of the vote on this amendment. The first was part of the "proper role of government" factor. The question asked if the government or the poor should have the major responsibility for meeting the needs of the poor. Respondents who felt that the major responsibility belonged to the poor, voted in favor of the amendment with greater frequency than their counterparts.

The next two indicators both fell under the "importance of the passage or defeat of the proposition" factor. The first concerned economic self-interest. Respondents who believed that passage of

Table 3
Analysis of the Vote on Expenditure Limitation Measures in the States Surveyed

	Colorado Burch-Orr Amendment	Michigan Headlee Amendment	Oregon Ballot Measure 11
What is the proper role of government?			
Who should have the major responsibility for meeting the needs of the poor? (Government to poor)	.273		
Is the government trying to do too many things that should be left to individuals and the private sector? (Too many to should do more)		−.232	
The concern over local control.			
Is it important to have public services controlled locally? (Very important to not important at all)			
Why was the passage/defeat of this proposition important?			
How concerned were you about the outcome of the tax limitation referenda? (High to low)			.500
Would the passage of this proposition have decreased or increased your state and local taxes?	−.634	−.443	1.418
Would the passage of this proposition have an effect on the provision of public services? (Major, minor, none)	.874	.568	1.526
From what level of government do you get the best return for your tax dollar?			
Do you feel that you get the most for your tax money from the local government? (No, yes)			−.551
Do you feel you get the most for your tax money from the federal government? (No, yes)			
What was the political outlook of the respondent?			
On domestic issues are you conservative, moderate or liberal?		−.470	
What is your political party affiliation? (Strong Republican to strong Democrat)			
What was the socioeconomic status of the respondent?			
Education level of the respondent. (Low to high)	.394		
What were other relevant characteristics of the respondent?			
Sex of the respondent. (Male, female)		.227	
Age of the respondent. (Low to high)		.413	
Do you have at least one child under 18 living in your household? (No, yes)			.779
R^2	.315	.187	.180
U	.6845	.8126	.8197
Percent correctly classified	78.2	71.8	70.7
N	239	340	365

the Burch-Orr Amendment would decrease the amount of state and local taxes they pay tended to vote in favor of the amendment, while those who thought their taxes would go up voted against it. The second indicator attempted to gauge the impact of the adoption of the amendment on the provision of public services. Those who felt that the passage of the Burch-Orr Amendment would have minor or no impact at all voted in favor of the amendment with a much greater frequency than those who felt the impact would be major.

The impact on the provision of public services question was the most important factor. It was followed in absolute magnitude by the economic incentive question.

The final indicator that showed an independent effect on respondents' voting behavior was an indicator of socioeconomic status. In Colorado the higher the respondent's education level, the more likely that person was to vote in favor of the Burch-Orr Amendment.

The second column in Table 3 displays the results for the other strictly expenditure limitation measure, Michigan's Headlee Amendment. Six indicators made important independent contributions to the understanding of the vote on the Headlee Amendment. Once again, the impact on the provision of public services question was the most important contributor. Respondents who felt there would be no impact or only minor impact on the provision of services were much more likely to vote in favor of the Headlee Amendment than their counterparts who felt the impact would be major. The indicator that made the second largest contribution was a component of the political outlook factor. In response to the question, "On domestic issues would you characterize yourself as a conservative, moderate or liberal?", respondents who said conservative were much more likely to vote in favor of the proposal than their liberal counterparts. The third most important indicator was the economic incentive to vote in favor of the proposition question. The fourth indicator made it clear there was an age effect in the vote on Michigan's Headlee Amendment. The older a respondent was, the more likely he/she voted in favor of the amendment. An indicator from the proper role of government factor was the fifth included. The question was, "Is the government trying to do too many things that should be left to individuals and the private sector?" Respondents who answered that the government was undertaking too many things were more likely to vote in favor of the amendment. The final question included in the equation indicated there was a sex effect present in the voting on the Headlee Amendment. Women were

more likely to vote in favor of the amendment than men. The proportion of variance explained and the discriminatory power of the equation, however, were rather low for the Headlee Amendment discriminant function.

The final column in Table 3 presents the results of the voting analysis for Oregon's Ballot Measure 11, the legislature's compromise measure that included both property tax cuts and expenditure limitations. There were five indicators that made important independent contributions to Ballot Measure 11's discriminant function.

Three were part of the importance of passage or defeat of the proposition factor. These three indicators ranked first, second and fifth in their relative contribution to the equation.

The most important was again the effect of passage of the proposition on the provision of public services. Respondents who felt the impact would be minimal tended to vote in favor of the proposition.

Next was the economic incentive question. Respondents who felt they would receive a tax break if Ballot Measure 11 passed, voted in favor of it.

The indicator with the smallest significance was the respondent's concern over the outcome of the election. Those who expressed a high degree of concern tended to vote against Ballot Measure 11. The presence of a child in the household was the third most important indicator. Respondents who had children residing in the household tended to vote in favor of the measure.

The fourth most important indicator was taken from the efficiency of government factor. The question asked if you got the most for your tax money from the federal government. Respondents who said they did not, had a tendency to vote in favor of the measure.

The Vote on Property Tax Cutting TELs

Table 4 presents the results of the voting analysis for the property tax cutting measures. The factors and their indicators are presented in Table 4 in the same format as they were in Table 3. Idaho's Proposition 1 will be examined first.

Five indicators defined the voting analysis equation for Proposition 1. The two most important found here were also very

Table 4
Analysis of the Vote on Tax Cut Measures in the States Surveyed

	Idaho Proposition No. 1	Michigan Tisch Amendment	Oregon Ballot Measure 6
What is the proper role of government?			
Who should have the major responsibility for meeting the needs of the poor? (Government to poor)			
Is the government trying to do too many things that should be left to individuals and the private sector? (Too many to should do more)			
The concern over local control.			
Is it important to have public services controlled locally? (Very important to not important at all)			
Why was the passage/defeat of this proposition important?			
How concerned were you about the outcome of the tax limitation referenda? (High to low)			
Would the passage of this proposition have decreased or increased your state and local taxes?	−.653	−1.126	−.500
Would the passage of this proposition have an effect on the provision of public services? (Major, minor, none)	.691	1.263	.338
From what level of government do you get the best return for your tax dollar?			
Do you feel that you get the most for your tax money from the federal government? (No, yes)			
Do you feel that you get the most for your tax money from your local government? (No, yes)		.962	
What was the political outlook of the respondent?			
On domestic issues are you conservative, moderate or liberal?			
What is your political party affiliation? (Strong Republican to strong Democrat)	−.327		−.437
What was the socioeconomic status of the respondent?			
Education level of the respondent. (Low to high)	−.588	−1.192	−.439
What were other relevant characteristics of the respondent?			
Sex of the respondent. (Male, female)		.586	−.314
Age of the respondent. (Low to high)	.247	−.966	
Do you have at least one child under 18 living in your household? (No, yes)			
R^2	.261	.267	.175
U	.7394	.7325	.8249
Percent correctly classified	74.9	72.7	70.8
N	307	333	401

important for expenditure limitations. Again, the most important indicator was the effect of passage on the provision of public services question. Respondents who felt the effect would be minor or nonexistent tended to vote in favor of the proposition. The second indicator was the economic incentive question. Respondents who felt that passage of the proposition would result in a tax break voted in favor of Proposition 1 more frequently than those who felt that passage would result in a tax increase. Both of these indicators are found under the importance of passage of the proposition factor.

The third most important item was the socioeconomic status indicator, education level. Respondents with lower attained levels of education tended to vote in favor of Proposition 1.

The next indicator was political party affiliation. Republicans tended to vote in favor of the proposition more frequently than their Democratic counterparts.

The final indicator showed that there was an age effect involved in the vote on Proposition 1. Older respondents tended to vote in favor of the proposition.

It is worth noting that not one of the statistically significant indicators concerned the more philosophical question of the proper role of government.

The results of the voting analysis for Michigan's Tisch Amendment are presented in the second column of Table 4. Six questions defined the analysis.

Again, two of the top three indicators were concerned with the perceived importance of passage of the proposition. The effect on the provision of public services question and the economic incentive question showed the same relationship with the vote on the Tisch Amendment as these two indicators had shown on each of the other TEL proposals examined.

Another very important contributor in the Tisch Amendment equation was the socioeconomic status question. Respondents with higher levels of education tended to vote against the amendment.

The fourth most important indicator was the age of the respondent. Younger persons, controlling for influences of the other indicators, tended to vote in favor of the Tisch Amendment, while older persons voted against it.

An indicator from the efficient level of government factor was also included in the Michigan results. Respondents who felt they received the most for their tax money from local government voted in favor of the Tisch Amendment.

The final relationship identified was that females were much more likely to vote in favor of the amendment than males.

The lack of contributions from the proper role of government indicators is again worth noting.

The results of the voting analysis for Oregon's Ballot Measure 6 are presented in the final column of Table 4. Five indicators defined the discriminant function equation for Ballot Measure 6. The first and fourth most important indicators in this equation have been found to be significant contributors to the equations for each of the six proposals examined. These two questions concerned the effect of passage of Ballot Measure 6 on the amount of state and local taxes to be paid and on the provision of public services.

The second most important indicator was the socioeconomic status indicator. As in each of the other two property tax cut measures, lower levels of education were associated with a vote in favor of the measure.

The next most important was the political party affiliation component of the political outlook factor. As was found in the equation on Idaho's Proposition 1, Republicans had a greater tendency to vote in favor of the measure than their Democratic counterparts.

Finally, a differential response was identified across the sexes. Males were much more likely to vote in favor of Ballot Measure 6 than females.

Again, no proper role of government indicators was significant.

Conclusions

In summary, a number of conclusions can be drawn from the analysis presented. The importance of the proposition to the respondent was the most important factor in the voting choice for each of the six proposals. However, after controlling for the importance of the proposition, the results indicate that there were different patterns of relationships for the two different types of TEL proposals.

For expenditure limitation measures, the choice was somewhat philosophical. Proper role of government factors played a role in the voting decision of respondents, whereas socioeconomic status, political outlook and demographic characteristics played only a minor role.

A contrasting pattern was found for property tax cut measures. Socioeconomic status was an especially important factor in the voting decision on these measures. Political outlook and the demographic characteristics were also related to the voting decision on tax cut measures than on expenditures limitation measures. And finally, attitudes on the proper role of government were unrelated to the vote on the property tax cut measures.

These conclusions imply that the two groups of TEL proposals are perceived as different by the voting public and that proponents and opponents in the TEL arena should be aware of these differences as they plan their political strategies.

II. Public Opinion and the Initiative Measures in Michigan and Colorado

Introduction

Part I focused on voting behavior in all four states and sought to identify common patterns that were present in all or most of the states. Parts II and III take a different perspective, and focus on each state individually. Here the concern is not with general patterns across the states, but with explaining the particular outcomes in each state. Why did Headlee pass in Michigan, while Tisch lost? In Oregon, what contributed to the defeat of both ballot measures? In order to answer these questions, it is necessary to examine events, the historical context, attitudes and the interplay of these elements in each state. Parts II and III differ somewhat in the approach employed to illuminate and explain the election results. Part II utilizes survey results to explain the defeat of Tisch and passage of Headlee in Michigan and the defeat of Burch-Orr in Colorado, with some reference to the election campaign (an extensive analysis of the 1978 and earlier campaigns in Colorado and Michigan is forthcoming from the National Council of State Legislatures by Williams). Part III reverses this emphasis in Oregon and Idaho, and focuses primarily on the nature of the campaigns and their impact on the ultimate outcome.

Part II deals with two states, Michigan and Colorado. Before the discussion of the implications of the survey results is presented in each state, a short synopsis of the highlights of the campaign, the major campaign issues and important background is provided. Knowledge of these elements is necessary in order to interpret public opinion in each state and the significance of certain attitudes relative to the election outcomes.*

*The analysis of the survey data in Part II also differs from that in the first section. Rather than a multivariate analysis of a limited number of variables, all the items contained in the survey were utilized. Initially the frequency distribution for each variable was examined to identify ones for which Colorado or Michigan appeared atypical of the four-state sample. Then the bivariate relationships between voting on the initiatives and voter survey items were analyzed. These relationships were interpreted in light of the frequency distributions, the campaigns and the context in each state.

Michigan

Without a doubt, Michigan had the most complicated set of measures related to tax and expenditure limitation on the ballot in November 1978. There were two limitation measures (both initiated constitutional amendments) on the ballot, but among nine other measures as one calling for the convening of a state constitutional convention, which some backed as an alternative means of dealing with tax and expenditure issues. Another some backed was an alternative means of dealing with tax and expenditure issues. Another measure called for a voucher system to finance education. Furthermore, it was not clear that any of the measures precluded the others, so that if more than one had passed, it was possible that more than one would have had to be simultaneously implemented, which made estimating the fiscal impact of the measures much more difficult.

The Headlee Proposal was backed by Taxpayers United for Tax Limitation, which was affiliated with the National Tax Limitation Committee. Most of the contributions to their campaign were relatively large ones from corporations and other businesses. Robert Tisch was drain commissioner in Shiawassee County at that time and his organization, Coalition for Property Tax Reform, received little financial or political support from other groups in the state, except for local taxpayers' groups. This was a "people's organization" with little money, but Tisch was active and quite successful in gaining media coverage for his activities. The voucher organization was Citizens for More Sensible Financing of Education and the major contributor to that organization was the Michigan Association of Non-public Schools.

The opposition to those three amendments was spearheaded by the Michigan Education Association, which devoted considerable energy and funds to the effort. Two coalitions were formed, one to oppose Tisch and Headlee, a second against vouchers. Nearly all the education interest groups were members of both coalitions, as were good government and labor organizations. Civil rights groups were also opposed to the Voucher Proposal. Many public officials and candidates supported Headlee, but opposed the other two.

The Headlee Proposal was designed to curtail the rising cost of government, and by placing a limit on government spending, to limit the ability of special interest groups to obtain new or increased programs to benefit their narrow constituencies financed out of the public purse. Some opponents disputed the need for a limitation in Michigan, saying taxes were not high in the state nor was the growth in government spending excessive. Many of the

objections to Headlee focused on its provisions rather than the expenditure limitations. The nature and level of the limits were seen by many as reasonable or at least possible to live with, particularly as compared to the more drastic Tisch and Voucher Proposals. The limits would be set at relatively high levels, would not affect present levels of services or taxes, and it would be several years before they had any substantial effect, and then primarily on the expansion or addition of services.

Among the objections to Headlee was uncertainty about the scope of the requirement for full funding of state-mandated programs. Another objection was the impact on bonding procedures. These would become more time consuming and problematic as nearly all bonds would have to be approved by referendum, whereas many did not under the current regulations.

The Tisch Proposal directly affected local government since it would slash local property taxes by an estimated $1.7 billion. While the state would lose very little revenue, it would probably feel obligated to step in and help replace the lost local revenues. Theoretically, these could be replaced if all possible revenue sources were exploited. However, politically it would be difficult to do so, and the resulting tax structure might have been more regressive than the current one. A major point the opponents stressed was that Tisch was more of a tax substitution (state for local, income for property) measure than a tax cut. Because of the ambiguities in the wording, it was difficult to estimate the fiscal impact of the measure, but some projections suggested that many people would pay more in total taxes under Tisch than they did presently. Thus two major issues in the debate over Tisch were whether the state could replace the lost revenues and who would benefit or be hurt by the shift in taxes (renters versus landowners, wage earners versus business). Furthermore, if the revenues were not replaced, local services might be cut substantially, and it might be necessary to eliminate the jobs of many public employees.

Some objections were leveled at both measures. The proposals dealt with highly technical and complex issues, and substantive policy should not be written into the constitution, where it would be very hard to change. There was no guarantee of tax relief under either measure, and increases in total taxes could result from both. They could lead to greater centralization of government at the state level, which seemed somewhat ironic given the criticisms of big government by many backers of the measures. Finally, each contained enough ambiguities in wording that their ultimate interpretation might be decided in the courts.

A final element in the Michigan story is that 1978 was not the first time that either property tax relief or tax and expenditure limitations were on the ballot. In 1972 an initiative measure had been defeated which lowered the limit in local property taxes and greatly reduced the role of property taxes in financing education. The Headlee Amendment was the result of four years of effort. There had been an unsuccessful attempt to place a TEL on the ballot in 1974; the same group succeeded in placing the measure on the ballot in 1976 as Proposal C. That initiative was opposed by many major interest groups and elected officials in the state, and was defeated at the polls, 54 to 46 percent, despite having been ahead in the polls late in the campaign.

However, the backers of Proposal C were not discouraged, but learned from their defeat. In 1977 they worked to overcome the weaknesses in their proposal as their organization revealed during the 1976 campaign. In particular the proposal itself was substantially redrafted in an attempt to meet most of the major criticisms that had been leveled at C during the campaign. One major change was to raise the cap on state revenues from 8.3 percent of personal income, which would have represented a reduction from the existing level. Another was to impose a limit on local taxes in order to prevent a major shift from state to local taxes. The changes in the proposal made the task of its opponents considerably more difficult. The new proposal was reasonable and far less vulnerable to attack, relative either to its 1976 predecessor or to Tisch, and the opposition admitted that it was difficult to oppose, both politically and in terms of its content.

Results of the ECS Survey

In some respects Michigan residents had a somewhat more positive orientation toward government than the four-state sample as a whole, but with regards to public schools specifically, their attitudes were less supportive. In particular, respondents in Michigan seemed less concerned with the issues of the size of government and local control than did those elsewhere. While none of the differences were large, there was a consistent pattern in the answers to the following questions:

Size of Government

1. Some people say government should have the major responsibility to do something about needs of the poor people in this country. Others say poor people should have responsibility for their own problems. What do you believe? Government should have major responsibility? Poor should have major responsibility? Both should do something?

2. Some people think the government is trying to do too many things

that should be left to individuals and private businesses. Others disagree and think the government should do even more. How do you feel? Government is trying to do too many things? Government should do more? In between?

Level of Government

1. From which level of government do you feel you get the most for your tax money? *Federal, state* or *local?*

2. From which level of government do you feel you get the least for your tax money? *Federal, state* or *local?*

3. Of the four different types of taxes, which do you think is the least fair? *Federal income, state income, state sales* or *local property tax?*

Local Control

1. How important is it to you to have public services controlled locally? *Very important, somewhat important, not very important* or *not important at all.*

2. The adoption of the propositions could have led to a substantial decline in the local funding of public services. Do you feel it would have been appropriate for the state to assume a greater responsibility for financing those services? *Yes, no* or *some of both?*

3. Do you feel that an increased state role in financing public services would be followed by a decline in local control over those services? *Yes* or *no?*

Michigan respondents were the most likely (in answering the first question) to say the government should have the major responsibility (and least likely to say the poor) and most likely to say the government should do more when asked the second question (and least apt to feel the government is trying to do too many things). These patterns are consistent with their characterizations of their ideological leanings; there was a greater percentage of self-identified liberals in Michigan than in the other three states.

With regard to feelings toward the federal government and federal income tax, Michigan respondents were more positive than those in the other three states, which was reflected in more negative attitudes toward local government and local property taxes among Michigan residents.

People in Michigan were most likely to say they got the most for their money from the federal government and the least from local government. Similar results were revealed on the questions about the fairness of taxes — Michigan respondents rated the local property tax lower than those from other states and the federal income tax higher.

Perhaps reflecting these attitudes toward local government, Michigan respondents were less concerned about local control than the other states. They gave the lowest rating to the importance of local control over services and were more willing to see the state assume a greater share in financing services under a limitation than anywhere else, though they did not differ from respondents in other states in their agreement that a decline in local control would accompany such an increased state financing role (70 percent).

On the other hand, the responses to the following three questions reveal that adults in Michigan had less confidence in the public schools and educators than was true in the other states.

Attitudes on Schools

1. Students are often given the grades, A, B, C, D and Fail to denote the quality of their work. How would you grade the public schools in your community, A, B, C, D or Fail?

2. I am going to mention some leaders, organizations and institutions in this country. For each one of them, would you say you have a *great deal of confidence, only some confidence* or *hardly any confidence* in these people, organizations or institutions?

The President	Major corporations
Radio, TV and newspapers	Public employees
Local school officials	League of Women Voters
Labor unions	Governor
State legislature	Teacher organizations
U.S. Congress	

3. Because Proposition E (the Headlee Amendment) has passed, government expenditures may have to be reduced. I would like to find out in what services you feel the reduction should be made.

   I am going to mention a series of government services. For each service mentioned, I would like to know if the expenditure for that service should be *reduced a lot, reduced a little* or *held at the same level?*

   Public parks
   Police
   Public schools
   Trash collection
   Social services (such as welfare, day care or care for the elderly)
   Health and medical services

Michigan schools received the lowest grades (fewer A's, B's, and more C's, D's and F's) and there was less confidence in local school officials and in teacher organizations in Michigan than elsewhere. (The lack of confidence in the teacher organizations is particularly noteworthy in light of the facts that a much higher

percentage of the respondents came from families with at least one union member and that there was more confidence expressed in unions in Michigan than anywhere else.)

Perhaps as a reflection of the lack of faith in the schools, Michigan respondents were more willing to cut school budgets in response to the third item above. These anti-school sentiments were associated with voting patterns on the two fiscal initiatives. Those who expressed less confidence in teachers and school officials, and those who were willing to cut school budgets were more apt to vote in favor of the measures, particularly Tisch. (However, the grade given the schools was not related to voting.)

Survey Results and Campaign Strategy

The survey results can also throw some light on the salience and success of some of the arguments used by both opponents and supporters of the measure. For example, the attitudes about government mentioned earlier may have had implications for both sides. On the one hand, issues of big and distant government and the notion of "sending a message to Washington" were part of the campaign rhetoric of supporters of limitations in all states, but it may have been less salient in Michigan than in the others. In fact there was a tendency for those who felt they got the most from the federal government (as opposed to state and local) to support the measures, suggesting they saw problems in Michigan rather than in Washington. On the other hand, the argument by opponents that the measures, especially Tisch, would result in less local control may have fallen on less receptive ears in Michigan than would have been the case elsewhere.

One message the opponents stressed heavily was that both measures amounted to tax shifts rather than tax reductions. That message did seem to be conveyed to the voters as indicated by Table 5.

The Michigan voters were far more skeptical about the probability of the measures leading to a reduction in total taxes. There is a striking parallel between the percentage of voters on each measure who responded that their taxes would not increase (50 and 40 for Headlee, and Tisch, respectively) and the affirmative vote for each one (52 and 37 percent). For each measure, people who thought their taxes would decrease were more likely to vote in favor of it.

The more favorable public perception of Headlee than Tisch is also revealed in responses to two questions about the probable impact of the proposals. Table 6 shows that while opinion was evenly

Table 5
Perceptions of Impact on State-Local Taxes

Do you feel the passage of this proposition would have had the effect of decreasing or increasing the amount of state and local taxes you pay?

	Colorado Burch-Orr	Idaho 1 Percent Initiative	Michigan Headlee	Michigan Tisch	Oregon Ballot Measure 6	Oregon Ballot Measure 11
Decrease	42%	45%	34%	33%	57%	46%
Remain the same	9	13	16	7	6	24
Increase	49	42	50	59	37	29

divided as to whether the impact of Headlee would be favorable or unfavorable, there was a clear consensus that the consequences of Tisch would be undesirable. Furthermore, people were more likely to assess the effects of Headlee as being minor rather than major (61 versus 26 percent) while the reverse was true for Tisch (32 versus 50 percent). These results illustrate the comments by opponents that it was difficult to campaign against Headlee because it was seen as being a reasonable and moderate measure that would have little effect other than freezing the status quo. Thus, the most common assessment (36 percent) among survey respondents was that Headlee would have a minor, desirable impact and that response, when combined with the no-impact category, accounts for nearly half (48 percent) of all responses.

Table 6
Perceptions of Impact on Public

How much impact would the adoption of this proposition have had on the provision of all public services — *major, minor* or *none?* Do you feel this impact would have been *desirable* or *undesirable?*

	Colorado Burch-Orr	Idaho 1 Percent Initiative	Michigan Headlee	Michigan Tisch	Oregon Ballot Measure 6	Oregon Ballot Measure 11
Major desirable	7%	20%	6%	12%	16%	7%
Minor desirable	39	33	36	19	23	37
None	11	12	12	8	7	11
Minor undesirable	15	14	25	13	21	28
Major undesirable	28	22	16	48	34	17

Explanation of the Vote

In terms of accounting for voting patterns on both measures, the most important factor was a person's assessment of the impact of the proposal as desirable or undesirable. Tisch lost badly because less than a third of the people felt it would have a beneficial impact.

The impact of previous initiative campaigns, perhaps that on Proposal C in 1976 in particular, may be evident in the response to an item about the ease of understanding the measure(s) on the ballot. Michigan had two complicated proposals on the ballot, yet Michigan respondents, along with those in Idaho, were the least likely to say the measures were difficult to understand (and they were average in the amount of concern about outcome and the amount they had heard or read about the measure). Such a response is consistent with the low drop-off that was noted in earlier studies between the vote for statewide offices and the fiscal measures, and suggests that the earlier campaigns may have served to educate the voters on complex issues of taxation and finance (Williams, 1976).

What kinds of attitudes or characteristics were associated with voting for one or more of the Michigan initiatives? Several patterns appeared in the survey for both proposals. One has already been mentioned, that those with negative attitudes about the schools and educators were more likely to support the measures. People who voted for Carter in 1976 also were more apt to support them, which is somewhat puzzling given that: (1) liberals were more likely to oppose the proposals, (2) Carter was running against a Michigan Republican and (3) the incumbent Republican governor supported Headlee. Perhaps the link is an antigovernment sentiment, which was expressed in 1976 by voting for Carter as the outsider, the anti-Washington candidate. Those who had heard or read a lot about the measures (and in the case of Headlee, those who were highly concerned about the outcome of the election) were more likely to vote for them. Already mentioned as factors in voting have been an economic self-interest factor (whether one's own taxes would increase or decrease) and the assessment of the impact on public services.

In addition, there were some factors that were associated with support of only one of the measures: for Headlee, the belief that property taxes had risen a great deal in recent years; and/or Tisch, a lack of confidence in the governor, a willingness to cut police expenditures (generally the service people were least willing to have reduced) and a feeling that one received the most for their

money from local government. These associations are plausible given the nature of each amendment and also provide insights into the relative success or lack of it for each one. The economic self-interest motive for voting for these amendments was something of a factor, but that worsened the chances for passage since a minority, approximately one-third, felt taxes would decrease under each proposal. Another tax issue, rising property taxes, was related to voting on Headlee and this may be a reflection of the fiscal situation in the state. Michigan respondents were the most likely to say that property taxes had risen a lot in recent years and people may have hoped that the increases or rate of growth in property tax payments would be stemmed or restrained by Headlee.

This seems to reflect what public officials and some interest groups have seen as the greatest need for change in the state-local fiscal system in Michigan. Many finance proposals before the legislature in the last few sessions have dealt with property tax relief in the form of an expanded circuit-breaker program and/or the shifting of a greater portion of school financing from the local property tax to the state income tax. In addition, there has been interest in changing the refund mechanism for the circuit breaker (it is now done through the state income tax) so that beneficiaries would be more aware they were receiving a refund or reduction on their local property tax rather than the state income tax.

Conclusions

Consideration of all the items in the survey suggests a conclusion at variance with the results of the multivariate analysis in Part I, that is, that the vote on Tisch may have been an expression of lack of confidence in government. Of the six variables most highly associated with support for Tisch, four and possibly five could be interpreted in this fashion: a lack of confidence in the governor and in teacher organizations; a willingness to cut two public services, usually considered essential, police and the schools, and possibly a vote for Jimmy Carter in 1976. However, whether this sentiment was more one of alienation than an ideological orientation against big government is unclear. The ideological questions about appropriate government roles (except the question, whether you received the most for your tax money from local government, which may reflect the supporters' themes of local control and sending a message to Lansing) were not associated with the vote on Tisch, whereas there were such patterns on some of the others.

The final group of factors — the amount people had heard about

the measure(s) and how concerned they were about the outcome(s) — reflects a well-known phenomenon. A measure's (or candidate's) supporters are likely to know more about and be more committed than its opponents. In the case of these measures, the group for whom the measure was highly salient was rather limited, especially for Tisch.

Results From the Institute for Social Research Survey

Another survey was conducted in Michigan immediately after the 1978 election which was also concerned with voting patterns on the three fiscal initiatives. This one was conducted by the Survey Research Center at the University of Michigan and some of their results shed additional light on what may have been in voters' minds when they went to the polls (Courant *et al.*, 1979).

The following questions were asked about spending and taxing levels for the state government and local governments.

> Now considering just the state government in Michigan which spends mainly on education, highways and welfare — would you favor an across-the-board *increase in both* state spending *and* taxes, a *decrease in both* spending *and* taxes or would you favor no change?
>
> Now considering just your local governments which spend mainly on schools, police, fire, parks and sanitation services — would you favor an across-the-board *increase in both* local spending *and* taxes, a *decrease in both* local spending *and* taxes, or would you favor no change?

The difference in response to the two questions may be another indication of reasons for Headlee's success and the failure of Tisch. While the typical response to both questions was maintenance of the status quo, there were significant differences between the two levels, among those who would like to see a change from present patterns. At the local level, there was no consensus about the direction of change; only slightly more people would like to see an increase in spending than advocate a decrease.

Table 7
Attitudes Toward State-Local Spending

	Increase	No Change	Decrease
State spending and taxing	9%	51%	31%
Local spending and taxing	21	59	15

Source: Derived from Table 2, p. 8 of Courant *et al.*, 1979.

At the state level, however, there was general agreement that change should be in the direction of less spending. (This sentiment may reflect the unpopularity of welfare, one of the state's primary responsibilities. Nearly two-thirds of the respondents said they thought less should be spent on

welfare payments, while no more than 15 percent advocated less spending for any of the other services mentioned in the survey.) Headlee addressed state expenditures, whereas Tisch did not. The latter would have reduced local expenditures (while Headlee would only have constrained their growth) and probably would have led to an increase in state expenditures. Given opinions about the level of state and local expenditures as revealed in the SRC survey, one can see that the potential support for Headlee exceeded that for Tisch.

A series of questions was also asked about probable consequences of the two measures (see Table 8). The first question in the series was similar to one asked by ECS, whether total taxes would decrease. The distribution of responses to this item was similar to those obtained by ECS for Headlee but not for Tisch. Respondents to the SRC questions demonstrated a much stronger belief that taxes would decrease as a result of Tisch (nearly as many believed they would decrease as not, while among the ECS respondents, only one out of three did so). People felt Tisch would reduce property taxes, while Headlee would not, and both measures were seen as likely to increase income taxes. On Headlee, public opinion was nearly evenly divided as to whether the number of public employees would decline, whether future wage

Table 8
Possible Consequences of the Two Proposals

Next, I will read a list of some of the possible effects the passage of Proposition E (the Headlee Proposal) and Proposition J (the Tisch Proposal) might have (have had) in Michigan.

First . . . do you think the passage of Proposition E (the Headlee Proposal) will lead (would have led) to . . .

	Headlee		Tisch	
	Yes Agree	No Disagree	Yes Agree	No Disagree
a. A reduction in the overall level of taxes in Michigan	24%*	58%	41%	45%
b. A reduction in property taxes	30	54	55	32
c. An increase in income taxes	59	25	66	20
d. A reduction in the number of state and local government employees	39	43	46	40
e. A reduction in the funds available to the local public school system	39	44	55	29
f. A reduction in the future wage increases of government employees	42	42	46	40

*Percentages do not add to 100 percent because of "don't know's" and "other" responses.

increases for public employees would be curbed, or whether fewer funds would be available to local school systems. With regard to Tisch, people strongly believed there would be fewer funds for education, but were uncertain about the consequences for public employees.

In the SRC survey, only 15 percent of the Michigan respondents expressed support for spending less for public schools (and 38 percent desired increased spending, 32 percent of them even if it meant increased taxes). The difficulties encountered by the Tisch proposal may have been due in part to the perception that school revenues would fall. For Tisch, that decline might have been offset by the belief that property taxes would decrease (and perhaps total taxes might also). For both Tisch and Headlee, if people felt that the proposal would result in lower school revenues, they were more likely to oppose it. In addition the perception that taxes would decrease (in this case across the state rather than for the individual) greatly increased the probability of voting for the initiative, and the feeling that taxes would increase was associated with voting against Tisch and Headlee.

Comparison of SRC and ECS Surveys

On the whole, the analyses of the SRC and ECS surveys reveal similar patterns. Both conclude that individuals who felt taxes would be reduced as the result of a measure were far more likely to vote for it than people who did not. Furthermore, both conclude that there is little evidence in Michigan of a widespread "tax revolt" among the respondents; respondents are generally satisfied with the current level of services and, if anything, desire more services. Finally, both surveys reveal considerable "rationality" in the voting decisions on these amendments, in the sense that voters tended to vote in accordance with their perceptions about the impact of each measure, particularly in regard to the consequences each individual considered important.

Colorado

The organization behind the Burch-Orr initiative was the Colorado Spending Limitation Committee, a grass roots organization that received very little support. As a result, it had difficulty raising funds since it had to rely on small donations from individuals. The opposition came from a variety of sources, including many education interest groups, public employees, labor, good government groups, public officials and government bodies, banks and religious leaders. The coalition formed to oppose Burch-Orr was

able to mount an extensive campaign, drawing upon the resources of the member organizations.

The issues in the campaign focused on the need for a limitation in Colorado, the fiscal impact of Burch-Orr, technical and legal ambiguities in wording, governance implications and the impact on services. The backers of the amendment called it a people's measure. They argued that government spending had grown enormously in recent years and the amendment was a means of controlling that growth as well as sending a message to politicians. They saw Burch-Orr as a moderate and reasonable approach. It would not disrupt current programs nor result in cutbacks in existing services.

Colorado already had spending limitations that applied to the state, school districts and many local governments. Opponents argued there was no need for Burch-Orr, government spending was already under control in the state, and that, in fact, the measure would permit greater growth in government spending than was already allowed and could result in increased local property taxes. They also objected to the inflexibility of and the difficulty in revising a constitutional measure. The backers of Amendment 2 replied that the present limits were only statutory and could be changed tomorrow. In addition the override provisions were not stiff enough, and they were not convinced that property taxes would rise as a result of Amendment 2. Opponents feared a loss of local control and a curtailment in representative government. The discretion of elected officials to decide on the allocation of expenditures and the size of the budget would be restricted. Expenditures for state- and federally-mandated programs were included in the limit. As those programs expanded, local programs might have to be curtailed to remain within the limit.

It was also suggested that implementation of the measure could involve considerable costs, including the expense of conducting special elections to waive the limits, and instituting the annual censuses of every jurisdiction in the state necessary to establish the population for the per capita limits. Also in question was the exact nature of the expenditures and government bodies covered by the limit. The amendment referred to "appropriated expenditures," and the interpretation of that phrase would have determined the restrictiveness of the measure. In particular, the question was whether bonded indebtedness and self-supporting agencies such as the Denver airport, were covered by the amendment. Supporters

felt they were not. This is one of several issues that was likely to be decided in court if the measure had passed.

Many of the education groups were concerned about the implications of Amendment 2 for school finance. If it had been in effect, they felt the increased state support for education and the progress toward equalization of the past five years would not have been achieved. In the future, state aid would be frozen, or perhaps even reduced to allow increases in spending for other purposes, which would result in greater reliance on local property taxes and disequalization. In addition the present school finance system was being challenged in court. If it were ruled unconstitutional, the state would be hard pressed to respond under Burch-Orr. Leveling down the expenditures of high-spending districts might be necessary, since it was unlikely the state could level up and remain within the expenditure limit. Finally, the limit would be particularly burdensome for districts with declining enrollments, since the limit would be expressed in per pupil terms.

The Burch-Orr Amendment was not the first time a tax limitation measure had been on the ballot in Colorado. In fact it was the fourth such measure in the 1970s. There were two initiatives on the ballot in 1972, which were soundly defeated (neither received more than 25 percent of the vote). Both dealt with financing of elementary and secondary education; they would have limited the level of local property taxes and severely curtailed or eliminated the proportion of local property taxes going to education. In 1973 the Colorado Legislature adopted a new school finance formula that imposed limits on revenue growth of school districts as well as increasing state aid, perhaps in part due to a concern that lack of action might result in further initiatives that might be approved. While the new formula was to prove rather ineffective with regard to reducing expenditure disparities, it did result in reductions in property taxes.

In 1976 another initiative appeared on the ballot. Amendment 10 would have required the approval of a majority of *registered* voters to increase any state or local tax. While it was also decisively defeated at the polls, it may have had some impact on the next legislative session. In 1977 the legislature adopted a statutory limit on state spending, the Kadlecek Amendment. Surplus revenues over the limit are to be used for tax relief, and in 1978 the surplus was used to reduce state income taxes and to increase state aid to education (considered an indirect form of local property tax relief). By the end of 1977 Colorado had charter, statutory or constitutional limits on expenditures, taxes and/or revenues on

most units of government, including the state, school districts, counties, municipalities and special districts.

Results of the ECS Survey

Colorado residents were distinctive in their attitudes toward government and the referendum proposal in ways that may help explain the defeat of the Burch-Orr Amendment. The variation among the states on results of the more general items of the ECS survey was not great, so that identifying state trends is difficult and based on small differences. However, there was a consistent pattern in these small variations in the direction that Colorado citizens appeared somewhat more satisfied with both government and education than citizens in the other states. This could be seen in their response to two questions pertaining to the role of government and three about education.

Government

1. Some people think the government is trying to do too many things that should be left to individuals and private businesses. Others disagree and think the government should do even more. How do you feel?

2. Is the government run for the benefit of all or a few?

Education

1. Students are often given the grades A, B, C, D and Fail to denote the quality of their work. How would you grade the public schools in your community, A, B, C, D, or Fail?

2. Are you yourself satisfied or dissatisfied with the way public schools are financed in your state?

3. If the proposition had passed, government expenditures might have had to be reduced. I would like to find out in what services you feel the reduction should be made? I am going to mention a series of government services. For each service mentioned, I would like to know if the expenditure for that service should be reduced a lot, reduced a little, or held at the same level.

There were twice as many people in Colorado than in either Idaho or Oregon responding to the first question by saying the government should do more. On the second item, Coloradans were the most likely to say government was run to benefit all the people. When asked to grade the public schools, respondents from Colorado gave the most A's and fewest grades below C. Coloradans (along with those from Idaho) were the most satisfied with the present means of financing schools (57 percent as opposed to 48 and 49 percent in Michigan and Oregon). The satisfaction with the

schools was reflected in the response about services to be cut if the limitation measure passed. Individuals in Colorado were the least likely to say reduce spending for schools (either a lot or a little) and the most likely to say maintain current school spending levels. (However, they were no more likely to endorse increasing school spending than the sample as a whole.) Coloradans were also the most supportive of spending levels for social services, the function where respondents in every state were most willing to reduce spending.

Another respect in which Colorado was atypical, and here the differences were considerably larger, was interest in and knowledge of the amendment. Three items were significant here:

1. Did you find the proposition easy or difficult to understand?

2. On the November ballot, there was a proposition related to tax and expenditure limitations. How much have you heard or read about the proposition and its possible effects — a great deal, a fair amount, very little or nothing at all?

3. Would you say your amount of concern over the outcome of the tax limitation proposition was high, medium or low?

Respondents in Colorado were less apt to say the measure was easy to understand than two of the other three states. Their answers to the second question revealed much less knowledge about the measure than in any of the other states (19 percent said a great deal, whereas the other three states ranged between 27 and 48 percent, and at the other extreme, 47 percent said "little" versus 19 to 39 percent in the other states). The lack of information was accompanied by a lack of concern about the fate of the referendum. The proportion of people saying they were highly concerned was lowest in Colorado (33 percent as opposed to 44 percent for the entire sample) and the portion expressing little interest was the highest (15 percent versus 10 percent for the sample). People were also asked whether they thought the limitation would result in an increase or decrease in the state and local taxes they paid. Slightly more people thought it would result in an increase rather than a decrease and nearly as many had no opinion or did not know what impact Burch-Orr would have on their taxes. It is the latter phenomenon, the lack of opinion, in which Colorado stands out.

These preceding patterns are significant in light of the relationships between attitudes and support for Burch-Orr revealed by analysis of the poll results. One component to such support appeared to be ideological and related to the size of government. Those who were more critical of government were more likely to

vote for Amendment 2. A second element was economic self interest; those who felt the measure would reduce their taxes tended to endorse it. Individuals who advocated cutting social services if a limitation were enacted were also prone to vote for the initiative. People who knew more about the measure and were concerned about its outcome tended to be supporters. The most important factor affecting people's votes was whether they thought the impact of Burch-Orr on public services would be desirable or undesirable (and people were evenly divided on that issue).

Most of the elements that increased the probability of a person voting for the amendment were ones on which Colorado ranked low relative to the other states: antigovernment attitudes, interest and concern about the measure, hostility to social services and belief the proposal would lower their taxes. This would suggest that the "tax revolt" had few followers in Colorado. The responses to another item on the survey may suggest one reason that is the case. People were asked how much the various taxes they paid had increased in the past few years. When the question was asked relative to the local property tax, Colorado respondents were the least likely to say property taxes had increased "a lot" and most likely to say they had not gone up at all. These responses may reflect the impact of school finance reform in Colorado, which did result in local property tax relief. This may also account for the greater satisfaction with school finance evident in Colorado.

Conclusions

Several factors may have contributed to the defeat of the Burch-Orr Amendment. One may have been the lack of a perceived need for the measure. Coloradans were not very unhappy about their property taxes and the enactment of the Kadlecek Amendment may have convinced them that state taxes would be held in check in the future. Another element may have been doubts about the suitability of Amendment 2 as a solution to the problem, if one did exist. A multitude of criticisms of the measure and its possible implications were well publicized and may have contributed to the reversal of initial positive feelings, which public opinion polls revealed. Finally, the proponents of Burch-Orr were at a severe disadvantage relative to the opponents in terms of resources. They lacked the money to finance an extensive media campaign to counteract that of the opponents. They were unable to present their case vigorously to the citizens of the state that a need did exist and that Burch-Orr would address that need. Given the pattern of responses revealed by the survey, the supporters, even with equal resources, might have had

difficulty persuading Coloradans that a need existed, but in light of their meager resources, they did not have that opportunity and the opponents were able to define the issues in the campaign.

III. A Closer Look at the 1978 TEL Campaigns in Oregon and Idaho

Oregon

A virtual copy of Proposition 13 had been filed in Oregon in January 1978 but its supporters were having little success in obtaining the signatures necessary to qualify the measure for the November 7 ballot. After June 6, 1978 when Californians adopted Proposition 13, more than 200,000 Oregonians wound up signing the initiative petition, more than three times the required number. And so, Ballot Measure 6 was born. If passed, it would cut Oregon property taxes by about 40 percent, resulting in a loss of $860 million in local revenues over the next two years. Polls taken in August indicated 2-1 support for Measure 6, about the same margin of approval Proposition 13 received from California voters. It appeared that the California tax revolt scenario was repeating itself in Oregon.

The Oregon Legislature, for example, met in special session in early September and passed its own alternative package of tax relief plus limitations on local and state spending increases. That package, which was placed before the voters as Ballot Measure 11, was the Oregonian equivalent of Proposition 8, the amendment devised by the California State Assembly in an effort to derail the Jarvis-Gann express. In Oregon, education interest groups, labor unions, municipal and county officials and their statewide associations, civic groups and others joined in a coalition supporting Measure 11. Most believed it was the "lesser of two evils" just as their counterparts in California had felt about Proposition 8. Many of the arguments, themes and issues of the Oregon campaigns for and against the two proposed constitutional amendments echoed the pre-election rhetoric in California. But the outcome did not. When it came time to cast the votes on the two TEL measures, tax revolt fever had subsided in the Oregon body politic — or at least there was no consensus on the proposed remedies for soothing the irritations of rising taxes and government spending. Like Proposition 8, Measure 11 was defeated. It lost by a 55 to 45 percent margin. But Oregon voters also rejected Measure 6, the Jarvis copy, by a 52 to 48 percent margin. The tax revolt that had skyrocketed to national attention in the state just

to the south had fizzled in an inconclusive stop, or perhaps pause, in Oregon. Why?

As bumper stickers such as "Don't Californicate Oregon" indicate, Oregonians like to think of their neighbor as another world. Opponents of Measure 6 attempted to capitalize on this antipathy by branding the proposal as the "California Plan." But Measure 6's failure at the polls cannot be explained as merely a case of Oregon chauvinism. There were indeed significant differences between the two states in the political situation, the tax structure and the conduct of the campaigns. These differences suggest an explanation for the dissimilar results.

Taxes in Oregon

First, Oregonians are simply better off as far as taxes are concerned. The state has one of the nation's most progressive tax systems with a high, graduated income tax (higher than California's) but no state sales tax (California's was six percent). The per capita burden of state and local taxes in Oregon was below the national average, while California's was about 30 percent higher.

In California, property taxes more than doubled in many areas as real estate values skyrocketed. In the Los Angeles area, tax bills showing dramatic increases (from $1,500 to $5,000 in three years, for example) were released prior to the June 6 elections. The figures and resulting publicity gave a major boost to sentiment for passage of Proposition 13.

Some homes in Oregon, in Portland for example, have increased in value by 40 to 50 percent in the last three or four years. But local governments operate on a levy system, not a fixed tax rate system like California's, so taxes do not automatically go up as assessments climb. Moreover, Oregon voters have a mechanism for voting down property tax increases. Under Oregon law, tax increases are limited to six percent annually over a designated tax base. Such tax bases were established long ago and school districts especially have been unable to live within the six percent limitation since the bases remain the same. As a result, annual election requests for special levies or new tax bases are the norm in Oregon. The system provides a measure of local control and an outlet for voter concern and frustration. Since most requests for bigger budgets are eventually approved, however, the mechanism has had only a limited effect on holding down increases in government spending. Property taxes have gone up in Oregon — from $686 million in 1974 to $900 million in 1977. In response, the state extended a property tax relief program and was giving

$100 million in rebates to more than 500,000 households with incomes under $16,000. Renters as well as homeowners were included in the program.

Oregonians seemed satisfied with the system and had rejected previous proposals to change it, including a tax reform package backed by Governor Tom McCall in 1973, which would have shifted more state money to local schools. State spending, however, had continued to climb since then, running over 20 percent and often twice the rate of growth in personal income. Like California, the state reaped the windfalls of inflation as more taxpayers were pushed into higher income tax brackets. Unlike California, Oregon had no $5 billion surplus, but it did expect to have $220 million left over at the end of the 1977-79 biennium. In sum, although Oregon was better off than its neighbor, there was still a perception that taxes were getting too high and that spending was excessive. When voters in California took matters in their hands, many Oregon residents took notice. As one letter-to-the-editor writer put it: "The role of government has mushroomed so out of proportion to the people's needs. . . . We have had enough."

Ballot Measure 6

The original initiative petition was filed in January 1978 by Jimmy Dale Wittenburg, a sometimes pharmacist, sometimes lobbyist and oftentimes eccentric. Wittenburg took Jarvis' proposition and made one change: instead of limiting property taxes to 1 percent of market value, he boosted the figure to 1.5 percent. Like Proposition 13, the Oregon initiative called for a rollback of assessed values to 1975 levels. Assessed values would be limited to a two percent annual increase per year unless the property changed ownership. It would then be assessed at market value. New or increased state taxes would require a two-thirds vote of the electorate. The average tax rate in Oregon was 2.2 percent. A 1.5 percent limit would cut property taxes by about 40 percent. Local schools would be hit hardest by the loss of revenue.

Wittenburg never achieved Jarvis' folk hero status. In fact, after his arrests for cashing bad checks and involvement in an altercation, he became an embarrassing albatross for the pro-Measure 6 forces. Those forces were somewhat loosely organized. The leaders were primarily present or former local officials and state representatives. The group raised less than $100,000 for the campaign. There were some television and radio commercials, primarily just before the election. But the brunt of the effort was conducted at countless local meetings, usually in debate with a pro-Measure 11

representative. The National Taxpayers Union reportedly supplied a $16,000 loan to the Measure 6 committee, but national organizations were not prominent in the campaign. (Paul Gann made a couple of appearances in Oregon on behalf of Measure 6. In his only appearance, Jarvis was hit by a pie thrown by a demonstrator.) The Oregon branch of the Libertarian Party conducted a separate effort on behalf of Measure 6. There were few endorsements by large organizations. Business, which would have gotten some 50 to 60 percent of the tax break under Measure 6, took a politically neutral stance during the campaign.

Pro-Measure 6 forces presented their plan as a simple "people's plan" that would truly cut taxes and not merely shift them to the state. Measure 11 was attacked as a complicated "politician's plan." As in California, backers of the initiative insisted only "fat" would be cut from government and important services would not be hurt. Support for the measure's antigovernment, antiestablishment message tended to come from Republicans, blue-collar Democrats, high school-educated voters and men.

Ballot Measure 11

After it appeared that the Proposition 13-like initiative would qualify for the ballot, several organizations met to form a coalition to defeat the measure. The Oregon Education Association, the Oregon Confederation of School Administrators, the state firefighters' association and the Oregon School Board Association were at the core of the earliest efforts. In September, Governor Robert Straub, a Democrat, called a special session of the legislature. Straub said he wanted an alternative to the severe approach of Measure 6. He was also trailing in his reelection campaign against Republican State Senator Victor Atiyeh and needed an issue to latch onto, according to some political analysts. The legislature came up with Measure 11 and Straub strongly endorsed it throughout his own campaign. Atiyeh eventually endorsed Measure 6.

Measure 11 provided that the state would pay half of the property tax on owner-occupied homes up to a maximum of $1,500. Renters would get a rebate based on the portion of rent going to property taxes. Assessed values would be frozen for one year. In addition, local tax increases were to be limited by a formula based on increases in population and prices. Voters could, however, override the limit by majority vote. But the state would give no rebates for amounts over the limit. State spending would be tied to increases in personal income. Any surpluses over two percent would be returned to the taxpayers.

The many organizations opposed to Measure 6 decided as a matter of strategy to unite behind Measure 11 rather than take a purely negative stand against change in the existing system. In California, as a citizen initiative, Proposition 13 would have taken precedent over Proposition 8, even if both had received a majority. In Oregon, the measure receiving the highest total would take precedent, making the job of the pro-Measure 11 forces somewhat easier. The coalition had a full-time campaign director, public relations person and treasurer, in addition to volunteer staff operating out of an office in Portland. The committee raised about $125,000, much of it from member organization's political action funds or their own individual constituents.

The Campaigns

The Measure 11 forces used their alternative as an effective platform from which to attack Measure 6. They emphasized the pocketbook issue by pointing to a Department of Revenue study that showed Measure 11 would provide more relief in almost every area of the state. Renters were guaranteed a rebate as well, while under Measure 6 there was no express provision for them, the pro-11 advocates argued. The tax break for business under Measure 6 was also a recurrent target.

"Scare tactics" were avoided, based on the backlash reaction to exaggerated predictions of cutbacks and layoffs in California. But the impact of Measure 6's $860 million revenue loss was pointed out in contrast to Measure 11's $500 million in tax relief, which studies said could be paid for with the $220 million surplus plus allowable growth in income tax revenue. Measure 6 supporters countered that Measure 11 was merely a shift involving no real tax cuts, the very purpose of the "tax revolt."

Local control was also an issue in the campaigns. Measure 11 advocates said that local governments would inevitably appeal to the state for a "bail out," bringing with it the possibility of more state control. Under Measure 11, there were no strings to the property tax rebate, they argued.

Public support for Measure 6 peaked in early summer from a high of about 66 to 22 percent in June to 56 to 26 percent by July. After the special session and the creation of Measure 11, support dropped to 43 percent with 28 percent opposed and an increase in "undecideds" to 29 percent. Measure 11 either had confused the issue or prompted voters to take a wait-and-see position. Measure 6 continued its downward trend right into the election, while Measure 11 gained support, primarily in urban areas, among the

college educated, women, renters, professionals and Democrats, according to polls taken for the pro-Measure 11 forces.

The Vote

Measure 6 polled 452,000 "no" votes compared to 422,000 in its favor. Measure 11 did less well, with 456,000 opposed and 382,280 voting for its adoption. An advisory issue on the ballot asking citizens whether they wanted a balanced federal budget passed overwhelmingly, 638,000 to 134,000.

Summary

Here are some of the factors that appeared to contribute to the outcome:

1. The issues were complex and the charges and countercharges confusing. A total of 59 percent of respondents in the ECS survey in Oregon said they thought the propositions were difficult to understand. The state's present system was defended (even by the pro-Measure 11 coalition at times) as better than either of the two alternatives. Some voters may have opted to vote against the measures in view of uncertainty.

2. There was no dramatic reminder of rising taxes such as the release of tax bills in Los Angeles County prior to the vote.

3. The pro-Measure 11 coalition was able to cast doubt about the soundness of the approach taken by Measure 6 and draw votes from it. Pro-Measure 6 forces, on the other hand, were not well organized or financed and lacked a charismatic figure such as Jarvis. Leaders of the movement said they would organize for another initiative effort and announced plans to affiliate with the National Taxpayers Union.

4. Straub lost the election, but a poll showed he was not hurt by his strong support of Measure 11; he did pull some Democrats away from Measure 6. Atiyeh endorsed Measure 6, but especially in the final weeks of the campaign, began to back off somewhat, promising instead that he would work for a modified version if elected. The tax measures were issues in the gubernatorial race but there was nothing comparable to California Governor Jerry Brown's defection to the Proposition 13 camp.

5. There was no national media attention on the scale of Proposition 13 coverage. Oregon was not portrayed as the vanguard of a national movement. Local media coverage, however, may have been a factor in Measure 6's defeat. Both camps agreed that newspaper and television coverage was overwhelmingly pro-Measure 11 and anti-Measure 6 — decidedly so far as editorials went and somewhat so in news coverage of the campaigns.

No one was interpreting the vote to mean that Oregonians wanted no tax relief or change in spending levels. Tax reform was the leading item on the 1979 legislative agenda. There was no

evidence, however, of a clear conservative shift in Oregon. Voters did strongly call for a return of the death penalty in one of the many other initiatives on the bedsheet ballot. But they voted to continue state funding of abortions and strict land use planning policies and procedures. The initiative issue that polled the most votes, incidentally, and the one on which the most money was spent was a proposal to let denturists (technicians) fit false teeth, which only dentists had been permitted to do.

Idaho

Observers of the "tax revolt" of 1978 looked to the western states to see if California's Proposition 13 approach to tax relief would spread, domino-fashion, through the region. Initiative drives in Nevada, Oregon and Idaho had put Jarvis-Gann copies on their ballots for the November 1978 elections.* In Idaho, the ground had been prepared for the seeds of Proposition 13 by discontent over state-ordered reassessments in several counties in 1977. Some homeowners, including those in the Boise area, found their tax bills had increased by up to 75 percent. More than 60,000 Idahoans signed an initiative petition to limit property taxes to one percent of market value and restrict increases in assessments to two percent per year unless a property changed hands. It was the largest total of signatures gathered on any initiative in Idaho history.

But as the election neared, there was concern among the advocates of the one percent initiative, or Proposition 1, as it was called on the ballot. Support had slipped from a peak in early summer, just as it had for the Jarvis-Gann clone in neighboring Oregon. About 19 percent of respondents to polls taken on election-week eve indicated they had not made up their minds on Proposition 1. Anti-initiative forces were hopeful that those undecided voters would not opt for the 60 percent cut in total property taxes. They had argued that the resulting loss of $125 million in local revenues would be especially severe because unlike California or Oregon, the state had no surplus to replace that loss.

But once the voting booth curtains were closed, the undecided voters chose to swing the tax-cutting meat ax: Proposition 1 passed with 58 percent of the vote, 162,486 to 115,737.

In Idaho a citizen initiative if passed becomes a statute, not a constitutional amendment as is the case in California and Oregon.

*Nevada voters passed their proposition, but state law required voters to approve the measure again in 1980. A petition drive for a Jarvis-style property tax cut in Arizona failed to get the required signatures.

Because it was "merely" a statute, Proposition 1 could be changed, repealed or implemented as it stood by the Idaho Legislature. Almost before the final votes were counted, various factions began preparing for a battle over those options in the 1979 legislative session. Pro-initiative forces were suspicious of the legislature, which had prompted the initiative drive in the first place after it failed to act on a one percent property tax cut bill introduced in the 1978 session. Even the initiative's opponents agreed that the state's failure to provide some kind of adequate property tax relief was a key to the initiative drive's success, particularly in view of the recent history of the tax in Idaho.

The Shifting Burden of Local Taxes

By almost any measure, Idaho taxes were not high, especially in comparison to California, the birthplace of the recent tax-cutting TEL activity. In combined state and local taxes per capita, Idaho ranked 33rd, lowest in the West. As for property taxes, Idahoans paid an average of $190 per person in 1976, 34th in the nation. In 1966, property was taxed at an average rate of 1.48 percent. In 1976 it had gone up to 1.58 percent of market value. Government spending had increased overall from $366 million in 1971 to $676 million in 1976, an 85.5 percent jump. But Idaho's 106 percent increase since 1966 was the lowest in the nation and compares to a 144 percent increase in California. The state ranks in the bottom 20 percent of states in expenditures per pupil in average daily attendance.

But Idahoans still perceived their taxes as too high, as the ECS survey immediately after the election confirmed. A total of 76 percent felt taxes were too high relative to their ability to pay. A total of 83 percent believed that government wastes much of its tax dollars. Idaho homeowners, moreover, were not comparing themselves to their neighbors. They were comparing their property tax bills to payments in the past. And they didn't like what they saw.

In 1965 homeowners paid 18.1 percent of property taxes collected throughout the state. Farms paid 28.7 percent, businesses 25.7 and utilities 26.5 percent. By 1977 residential taxpayers were paying 41.5 percent of the total. Utilities were down to 14.2 percent, business and industry to 23.5 percent and farms to 20.8 percent. The shift occurred because of an Idaho Supreme Court decision in 1967.

Historically, local assessors used various assessment ratios for different types of property, from 20 percent for homes to 40

percent for utilities. In 1965 the legislature tried to legalize the practice. The court ruled the law unconstitutional and called for uniform assessment ratios by 1978 (later changed to 1982). Progress was varied and slow in the counties of the state. In 1977 the Idaho Tax Commission ordered an accelerated reappraisal program in three counties, including one of the more populous, Ada County in the Boise area. Property taxes in the county went up by 28 percent overall, with much bigger increases for some homeowners, whose property had long been undervalued during the recent period of high inflation.

Some tax analysts said reappraisals accounted for relatively little of local increases. The bulk occurred because of large budgetary increases by local taxing bodies. Leaders of the one percent initiative agreed that local governments had "taken advantage" of the situation. They pointed — repeatedly — to Ada County whose budget went up 51.7 percent in 1977, to Garden City with an 85.5 percent increase, to Kootenai County where budgets for all local government units increased 32.6 percent and to other examples.

Less partisan observers agreed that local governments had jacked up spending considerably but blamed state government for failing to alleviate pressure on the property tax. The state had used increased sales and income tax money generated by population and economic growth to offset increases in its costs and finance some growth in state government. Local governments were locked into the property tax. Unlike Oregon, there was no mechanism for voting on local budget increases above a limit set by law. So, some taxpayers turned to the legislature again.

The Initiative Campaign

The Idaho Property Owners Association (IPOA) was the principal organization behind the one percent initiative drive. Through friendly legislators, including the speaker of the house, Allan Larsen, the IPOA introduced a Jarvis-Gann copy as a bill. When it failed, the IPOA began collecting signatures to put the measure on the fall ballot. Larsen became the Republican candidate for governor and strongly endorsed the one percent initiative throughout his campaign. Incumbent Governor John Evans refused to endorse the measure. He said if it passed he would work to limit its tax relief to homeowners and farmers and exclude other commercial property.

The legislature had provided some tax relief, including $17 million for repeal of a county school tax levy, an increase in a "circuit breaker" program for senior citizens, an increase in a grocery sales

tax credit, and a hike in the hardship exemption for low income persons. (Evans had also appointed a special task force on taxation. After a year-long study, the committee issued a report in September 1978. It called for implementing uniform assessments based on market value (farms were taxed on the income-producing value of their property, for example) and for a homestead exemption of up to $10,000 which could be deducted from assessed value.)

At least 60,000 persons felt the legislature's efforts were inadequate and they gave the initiative drive their endorsement and their signatures. Of the 11 citizen initiatives in Idaho history, only four had passed. But after a slow start, the passage of Proposition 13 in California gave the Idaho version a big boost toward becoming the fifth. Don Chance, a Boise realtor and president of the property owners association, was a leader of the initiative campaign. He could be characterized as the Howard Jarvis of Idaho. His tactics included camping out for six days on the lawn of the state capitol while demanding to meet the governor. He got his meeting but failed to get a commitment to implementing the provisions of the initiative if it passed.

Like the California campaign, the dominant theme of the pro-initiative effort was antibureaucratic, antigovernment and antitax. The campaign emphasized a threat that high taxes posed to the "right" to own property. "Seniors will lose their homes, young families will never be able to afford a home of their own, and existing property owners will lose a larger and larger percentage of their income to property taxes," was a typical excerpt from campaign literature. Another dominant message was that Proposition 1 was the only hope of salvation: "At present, there is no protection against property tax increases — except the promises of elected and appointed officials who have been unable to withstand the pressure of bureaucrats and special interests to increase budgets (taxes) for new programs and salaries."

Proposition 1 advocates also argued that businesses should get part of the tax break. The Idaho Tax Commission had estimated that 60 percent of the $125 million cut would go to income-producing properties. Lower taxes for business would result in lower costs for food, products and other services and rents and utilities, pro-Proposition 1 leaders claimed. Opponents, of course, scoffed at the argument.

Both camps courted the farm vote. Some farmers were worried that the one percent provision would result in increases in their taxes where they were already lower than one percent based on

fair market value. Proposition 1 leaders argued that the one percent was a lid not a mandatory rate. They also argued that the initiative would not change the income-producing basis for taxing farms.

Finally, initiative leaders insisted local control would not be undermined if the state picked up more of the local services tab. However, initiative leaders were clearly worried about the issue and formed a special committee whose purpose was to insure that local control of schools would be maintained if the measure was approved.

The Opposition

In keeping with the pattern where Proposition 13 copies were on the ballot, a coalition formed to defeat the proposal. As in California and Oregon, the member organizations were primarily education, public employee and local government types. In Idaho about 19 such organizations, ranging from the state AFL-CIO to the Idaho Association of Retarded Citizens, formed the Idaho Citizens for Responsible Government. The Idaho Education Association and the Idaho Public Employees Association were key member organizations. The committee had no separate office or staff but relied on volunteer work by officials of the participating organizations and their memberships.

The coalition made two key decisions of strategy. After conferring with counterparts in California, the coalition leaders decided not to seek an alternative proposition. In California, Proposition 8, the legislature-created package, had not helped to defeat Proposition 13, in view of those consulted by the Idaho anti-initiative leaders. In Oregon, however, the opposition coalition decided that some positive alternative would have to be presented to the people in order to draw votes away from that state's Proposition 13 copy. A second decision in Idaho was to downplay employee layoffs and service cuts. "Early in the campaign we discovered that talk of service cuts didn't go over. They were branded as scare tactics," one coalition leader said. Still, threats to educational programs were pointed out in the campaign, perhaps because education was held in high regard, according to polls. One poll showed that 75 percent of the respondents wanted schools to suffer the smallest cuts if Proposition 1 passed. The ECS survey found 47 percent of Idahoans wanted expenditures for schools to stay the same and 28 percent wanted them increased.

Nevertheless, more attention was devoted to "economic issues" according to coalition leaders. These included the contention that

the total tax burden would increase for homeowners if the measure passed because of reductions in federal tax deductions for local taxes. Also, business would get the majority of the tax relief. And since homes turn over more frequently than business property, they would be assessed more often at market value while business property enjoyed only the two percent yearly allowable increase. Other "pocketbook" issues were the lack of relief for renters and the possibility of higher taxes for farmers. It was also argued that state income and sales taxes would have to increase to help bail out local governments since there was no surplus. Local control and legal constitutional problems were other issues raised by the opposition campaign.

The Campaign and the Election

Neither side spent large amounts of money for their campaigns, certainly nowhere near the millions spent in California. The anti-initiative coalition raised about $9,000, for example. Most of the campaigning was on the grassroots level where the anti-initiative effort appeared to be having some impact. By late October, support for the initiative had slipped. A poll by the *Boise Statesman* showed the issue at a dead heat at 34 percent among those who had decided on their vote. In response to those polls, an unsuccessful GOP gubernatorial primary candidate criticized the IPOA leadership and announced formation of a committee to "save" the initiative. The committee raised $10,000, including $1,000 from the National Taxpayers Union, for a series of newspaper and radio ads across the state. The ads emphasized the "last chance for tax relief" theme. The resulting well-publicized squabble with the IPOA also may have alerted some undecided voters to the possibility the measure would fail. Another last-minute effort financed by an Idaho apartment owners association included newspaper ads that underlined the money-in-your pocket issue. The ads featured large charts indicating how much money homeowners would save, depending on the value of their homes. The ads may have had some effect on fence-sitters: support for the proposition picked up 10 points from the ranks of the undecided in the final pre-election poll taken by the *Boise Statesman.* Previously, the opposition had been winning "no" voters from those ranks.

The trend to choose Proposition 1 continued through election day with the measure capturing 58 percent of the vote.

Analysis

The sudden "catch up" reassessments gave initiative forces a tool

for dramatizing the decade-long shift to higher residential property taxes. By Idaho standards the bigger tax bills and corresponding local budgets may have served as the equivalent of the dramatic assessment increases in California that boosted Proposition 13's support. And there seemed to be a real concern in Idaho over practical loss of the "right" to own property. The Idaho Poll, a private polling enterprise in Boise, showed that 78 percent of the population felt that right threatened. Of those, almost 50 percent had decided at an early date to vote for the initiative. The poll found that concern over service cuts was much less a factor in deciding whether to vote for or against the measure.

Idaho voters may also have listened to pro-initiative arguments that because the measure was not a constitutional amendment it could be more easily "fixed" by the legislature. At least it was better to have something in hand than count on the lawmakers for a handout, they argued.

The pocketbook issue is important in any vote on taxes, and anti-initiative forces had only their generalized predictions about how the measure would eventually cost homeowners more. In contrast, initiative leaders could show the number of dollars a property owner would pocket. In Oregon, where there was a competing measure providing property tax relief to homeowners and renters (but not to business), anti-initiative campaigners could point out that the alternative would give more money back than the Jarvis-Gann copy, a very effective argument. In Idaho there was no such competing measure. After the election, anti-initiative leaders conceded the lack of some positive alternative may have hurt their effort.

The Aftermath

Evans easily won reelection with 58 percent of the vote. His opponent had based much of his campaign on endorsement of the one percent initiative. Two Ada County commissioners who were leaders of the initiative movement lost in election bids. The lesson seems to be that a one-issue candidacy based on the tax revolt controversy has no guarantee of success.

Immediately after the election, Evans announced he would fight to change the provisions of the initiative. In the 1979 session, the lawmakers did act. They voted to provide $32 million in relief to local schools through the school foundation program, froze the budgets of local governments, kept the one percent limit but provided for override levies by local majority vote and delayed the effective start of the initiative until 1980.

IV. Conclusions

This paper has presented the results of an extensive investigation into the issue of tax and expenditure limitations, using public opinion surveys and case studies of the campaigns. Let us review the major findings.

An analysis of voting behavior dealt first with the decision to go to the polls and vote on TEL issues. There were few systematic differences across states or across the two types of TEL proposals. In general those who went to the polls to vote on the TEL proposals felt there was an economic incentive to do so, were habitual voters and felt the TEL issue was an important one. There were no systematic relationships between demographic characteristics and the decision to go to the polls.

A second set of findings was drawn from the analysis of the decision to vote for or against the proposals. Across all proposals the vote was closely related to how voters thought the TELs would affect taxes and public services. However, differences were discovered across the two types of TEL proposals. Expenditure limitation measures elicited a more philosophical, proper role of government response. The votes on property tax cut measures were more closely related to socioeconomic status indicators, political outlook and other demographic characteristics.

Part II, analysis of TEL activity in the states of Michigan and Colorado, indicated that the public is closely attuned to the TEL issue. The study revealed considerable "rationality" by voters, who tended to vote on TEL proposals based on their perceptions of the impact of each TEL measure. In Colorado, proponents of the Burch-Orr Amendment were unable to convince voters that the measure was well designed or even that it was needed. The public was aware that potential tax and government growth problems had been dealt with by legislative action and Coloradans did not seem unhappy about their property taxes.

In the final section the campaigns in Idaho and Oregon were examined. It is clear that the intangibles in a campaign can have a substantial impact on the outcome. Examples of such factors include the change in assessment practices in Idaho, which created a pressure for relief. Also, the availability of a well thought-out

alternative seemed to help the opposition forces to Oregon's Ballot Measure 6, though this strategy did not work in California.

The implications of these findings are that the "tax revolt" is not a monolithic movement that is sweeping the country. Voters perceive differences in the types of TEL measures and act on those peceptions. Campaigns on the TEL issue and the political culture of the state do have an effect on the outcome of the referendum. Therefore, the conclusion is that you cannot predict the outcome of a TEL vote based on past experience in a particular state. Nor can proponents or opponents of TEL measures import strategies with a guarantee of success without considering the specific attitudes of the voters and political culture of their own states.

Appendix A
The TEL Proposals

Colorado

Amendment 2, popularly known as the Burch-Orr Amendment, was designed to limit the growth in per capita expenditures for state government and all units of local government to the annual rate of growth in the National Consumer Price Index. Amendment 2 would have also required that new or expanded local programs mandated by the state be fully funded by the state, and that state revenues up to five percent beyond the spending limit be directed to a surplus fund or, beyond that, returned to the people through tax rebates, credits or tax cuts.

Idaho

Proposition 1, which passed, limits property taxes to one percent of current market value and limits increases in assessments to two percent unless title changes hands. Any new "special taxes" at the local level require a two-thirds vote of the "qualified electorate." Changes in state taxes need a two-thirds vote by the legislature. Proposition 1 was a statute, not a constitutional amendment.

Oregon

Oregonians had two constitutional amendments relating to taxes and government spending on the November 7 ballot. Ballot Measure 6 was almost identical to California's Proposition 13 except it would have limited property taxes to 1.5 percent of assessed value rather than 1 percent. Measure 6 would have rolled back assessments to 1975 levels and permitted only a two percent annual increase in assessments. It would have required a two-thirds vote from the electorate for new special taxes at the local level. Changes in state taxes would have needed a two-thirds vote of the legislature.

The other proposal was Measure 11. Under its provisions, the state would have used general fund revenue to pay 50 percent of a homeowner's property tax up to a maximum of $1,500, which could have been increased by the legislature in the future. Renters

would have received tax relief equivalent to the part of their rent that went for property taxes. Measure 11 would also have limited growth in the state's general fund to the increase in total personal income, which has averaged about 10 percent in recent years. Starting in the 1979-81 biennium, the state would have been required to return any surplus collection of income taxes over the two percent allowed contingency fund. On the local level, Measure 11 would have limited cities, counties, schools and other taxing units to increases in property taxes for operating budgets of no more than the rate of population growth each year with adjustments for increases in the Consumer Price Index.

Michigan

The two limitation measures in Michigan were Proposals E and J, better known as the Headlee and Tisch Proposals. Headlee, which passed, limits state revenues to their present percentage of Michigan personal incomes (approximately 9.5 percent). At the local level, property taxes on existing property can grow no faster than the National Consumer Price Index unless approved in an election by a majority of voters. If local revenues greater than the limit are collected, tax rates will be rolled back and the excess revenues returned to the taxpayers. State mandates imposed on local governments will be fully funded by the state.

Under the Tisch Proposal, local property taxes would have been cut in half with assessments reduced from the current level of 50 percent of market value to 25 percent. Annual increases in assessed valuations would have been limited to 2.5 percent. The state income tax would have been limited to 5.6 percent (the current maximum rate is 4.6 percent). Local school districts could have imposed a local income tax of up to one percent if approved by the electorate.

Appendix B
Methodological Notes on Part I

The study of voter behavior reported in Part I employed the multivariate technique, discriminant analysis.

One method of examining how the various factors related to the decision to go to the polls would have been to analyze each difference in response to an indicator for the group of respondents who went to the polls and for the group that did not. A problem with this bivariate method is that it overstates the relationship between the particular indicator and the turnout decision. An advantage of using a multivariate analysis technique is that it allows an estimate of the relationship between the particular indicator and the turnout decision, taking into account other related indicators. The multivariate technique allows a simultaneous test of the theoretical factors related to the turnout decision. For these two reasons the multivariate technique was chosen over the bivariate model.

Discriminant analysis was chosen in the research for the following reasons. The goal of discriminant analysis is to statistically distinguish between groups of cases. This goal fitted in nicely with the analysis of voting behavior, which aimed at distinguishing between respondents who went to the polls and those who did not, and those who voted in favor of the TEL proposal and those who voted against. Each analysis divided the sample into two distinct groups of cases. Discriminant analysis takes the list of indicators provided and attempts to determine the linear combination of indicators that best distinguishes between the two groups. Only indicators that contribute to the ability of this linear combination to distinguish between the two groups are included in the equation. In addition to this fact, the standardized discriminant coefficients can be used to assess the relative importance of the indicators included in the question.

Respondent Error

When questions such as those asked in Part I are posed to voters after an election, there are two typical error components in their responses. When asked if they turned out to vote, respondents will

often report that they did vote even though in fact they did not because exercising your right to vote is the "proper" thing to do. On a "how did you vote" question, respondents will sometimes report they voted in the same way that the election was finally decided.

Another factor to keep in mind when interpreting the voter behavior study is that cross-state comparisons of the results can be somewhat misleading for two reasons. First, although the attitudinal and demographic questions are directly comparable, the voting stimulus (or stimuli) in each state is different. For instance, even though Proposition 1 in Idaho and Ballot Measure 6 in Oregon were virtually exact duplicates of California's Proposition 13, they each presented to the voters in the two states distinct issue packages. In addition to the differences presented by the proposals themselves, there is also the issue of different political cultures. As was pointed out in Chapter III, the fact that Ballot Measure 6 was a copy of Proposition 13 had some negative influences in Oregon that were not present in Idaho. This negative influence was due to the fact that many Oregonians do not feel that all things done in California should be copied in Oregon. The bottom line is that relationships that do appear, appear in spite of the blurring factors which are not controlled for in the analysis presented in Part I.

Variance Explained and Discriminatory Power

As noted in Part I, three summary statistics were used along with the number of cases upon which the coefficients were calculated.

The first summary statistic was the R^2. The R^2 can be interpreted in terms of the proportion of variation in the dependent variable explained. The second summary statistic reported was the Wilk's lambda or U statistic. This statistic measures the ability of the equation to classify cases into their true category. The range of values for this statistic is between 0.0 and 1.0, with the lower end of the scale indicating more discrimination than the higher end. The final summary statistic reported is the percent correctly classified, the percentage of cases that were correctly classified by the discriminant function. (This summary statistic has borne the brunt of much criticism in the literature because it is biased by the presence of unequal distributions in values of the dependent variable.)

As we cautioned in Part I, there were only moderate levels of explained variance and discriminatory power for many of the equations. These differences in the summary statistics should be taken into consideration in evaluating the results.

For example, Table 1 showed that for the Burch-Orr Amendment, three indicators — economic incentives, perceived importance of the TEL and history of participation — explained 44.8 percent of the variation in the decision to turn out among Colorado respondents as indicated by the R^2 for the equation. The U statistic, .5520, indicated that the discriminant function did a good job in separating the voters from the nonvoters. But for the Headlee amendment, the equation's proportion of variance explained and discriminatory power were much lower when compared to the Colorado results. Ballot Measure 11's summary statistics closely paralleled the Headlee amendment results.

Therefore, the summary statistics at the bottom of each table in Part I should be taken into consideration before interpretations are made and conclusions are drawn based on the results of the analysis.

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